

## 6523.0 - Household Income and Wealth, Australia, 2015-16

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## Summary

### Key Findings

#### KEY FINDINGS

**Table 1 - HOUSEHOLD ECONOMIC WELLBEING INDICATORS(a), Australia, 2005-06 to 2015-16**

Economic Indicator	Year			Change			
	2005-06(b)	2013-14	2015-16	2005-06 to 2015-16 Difference	%	2013-14 to 2015-16 Difference	%
Gini coefficient for equivalised disposable household income(c)(d)	0.314	0.333	0.323	(h)0.009	(h)2.9	(h)-0.010	(h)-3.0
Gini coefficient for gross household income(d)	0.425	0.446	0.434	(h)0.009	(h)2.1	(h)-0.012	(h)-2.7
Mean weekly equivalised disposable household income(c)	\$843	\$1,029	\$1,009	\$166	19.7	(h)-\$20	(h)-1.9
Mean weekly gross household income	\$1,713	\$2,128	\$2,109	\$396	23.1	(h)-\$19	(h)-0.9
Median weekly equivalised disposable household income(c)	\$729	\$870	\$853	\$124	17.0	(h)-\$17	(h)-2.0
Median weekly gross household income	\$1,346	\$1,596	\$1,616	\$270	20.1	(h)\$20	(h)1.3
Gini coefficient for household net worth(d)(e)	0.593	0.605	0.605	(h)0.012	(h)2.0	(h)0.0	(h)0.0
Mean household net worth(e)	\$722,200	\$835,300	\$929,400	\$207,200	28.7	\$94,100	11.3
Median household net worth(e)	\$436,000	\$476,000	\$527,000	\$91,000	20.9	\$51,000	10.7
Mean total financial assets(f)	\$266,100	\$334,100	\$378,700	\$112,600	42.3	(h)\$44,600	13.3
Mean total non-financial assets(g)	\$574,800	\$650,700	\$722,500	\$147,700	25.7	\$71,800	11.0
Mean total liabilities	\$118,700	\$149,500	\$168,600	\$49,900	42.0	\$19,100	12.8
Proportions of households with debt	72.2%	71.7%	73.6%	1.4pts	..	1.9pts	..
Proportions of households with debt 3 or more times income	23.9%	26.0%	27.2%	3.3pts	..	(h)1.2pts	..

(a) In 2015–16 dollars, adjusted using changes in the Consumer Price Index

(b) Estimates presented for 2007–08 onwards are not directly comparable with estimates for previous cycles due to the improvements made to measuring income introduced in the 2007–08 cycle. Estimates for 2003–04 and 2005–06 have been recompiled to reflect the new measures of income, however not all components introduced in 2007–08 are available for earlier cycles

(c) Equivalised disposable household income estimates are adjusted by equivalence factors to standardise them for variations in household size and composition, while taking into account the economies of scale that arise from the sharing of dwellings

(d) The Gini coefficient is the internationally accepted summary measure of inequality. Gini coefficient values range between 0 and 1. Values closer to 0 represent higher equality and values closer to 1 represent higher inequality

(e) Household net worth is the value of all the assets owned by a household less the value of all its liabilities

(f) Includes, for example, accounts held with financial institutions (including offset accounts), ownership of an incorporated business, shares, debentures and bonds, trusts, superannuation funds, and loans to other persons

(g) Includes, for example, residential and non-residential property, household contents and vehicles

(h) The difference between periods is not statistically significant

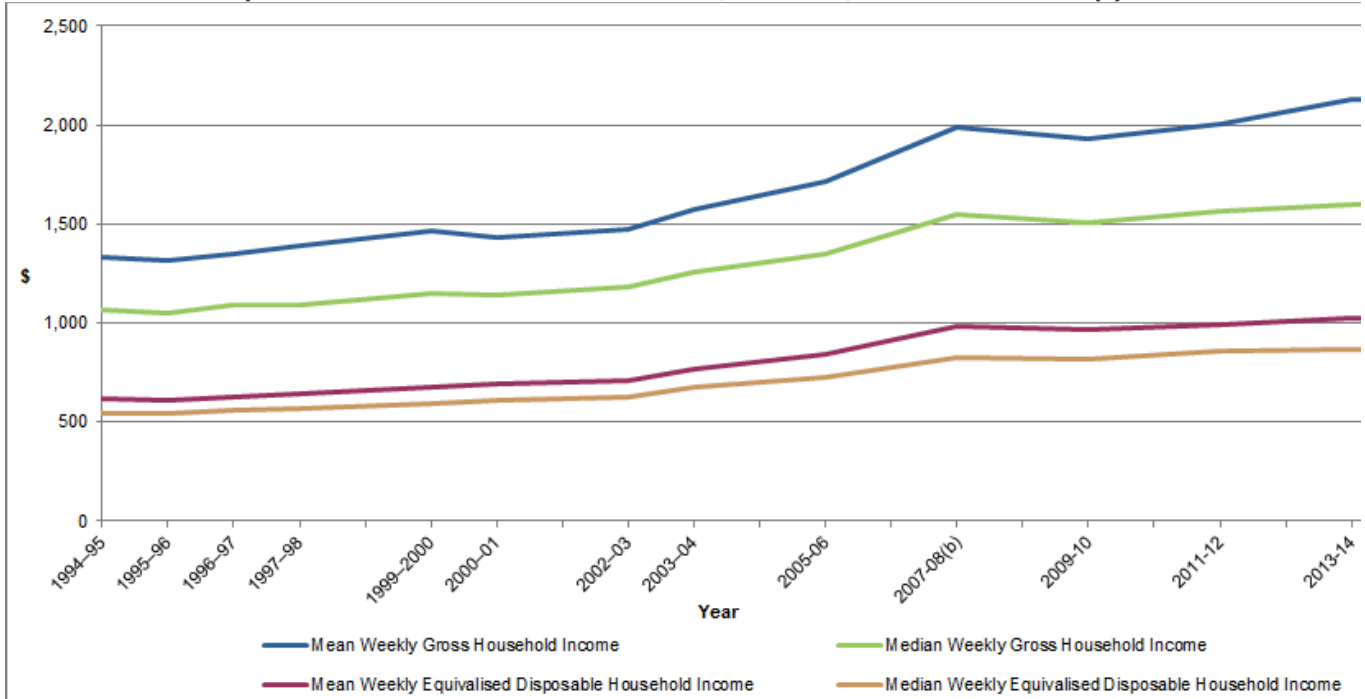
.. not applicable

- In 2015-16, the average equivalised disposable household income was \$1,009 per week. This was not significantly different from the average in 2013-14 (\$1,029 per week), but it was a significant increase from the \$843 per week a decade ago in 2005.
- The average net worth for all Australian households in 2015–16 was \$929,400, up from \$835,300 in 2013–14 and \$722,200 in 2005-06. Rising property values are the main contributor to this increase. Total average

property values have increased to \$626,700 in 2015–16 from \$548,500 in 2013–14 and \$433,500 in 2005–06.

- Three in four (74%) households were in debt in 2015–16, up from 72% in 2013–14 and 2005–06. Of these households, 27% were servicing a total debt that was three or more times their annualised disposable income. Similar levels of debt were reported in 2013–14 (26%) and 2005–06 (24%).

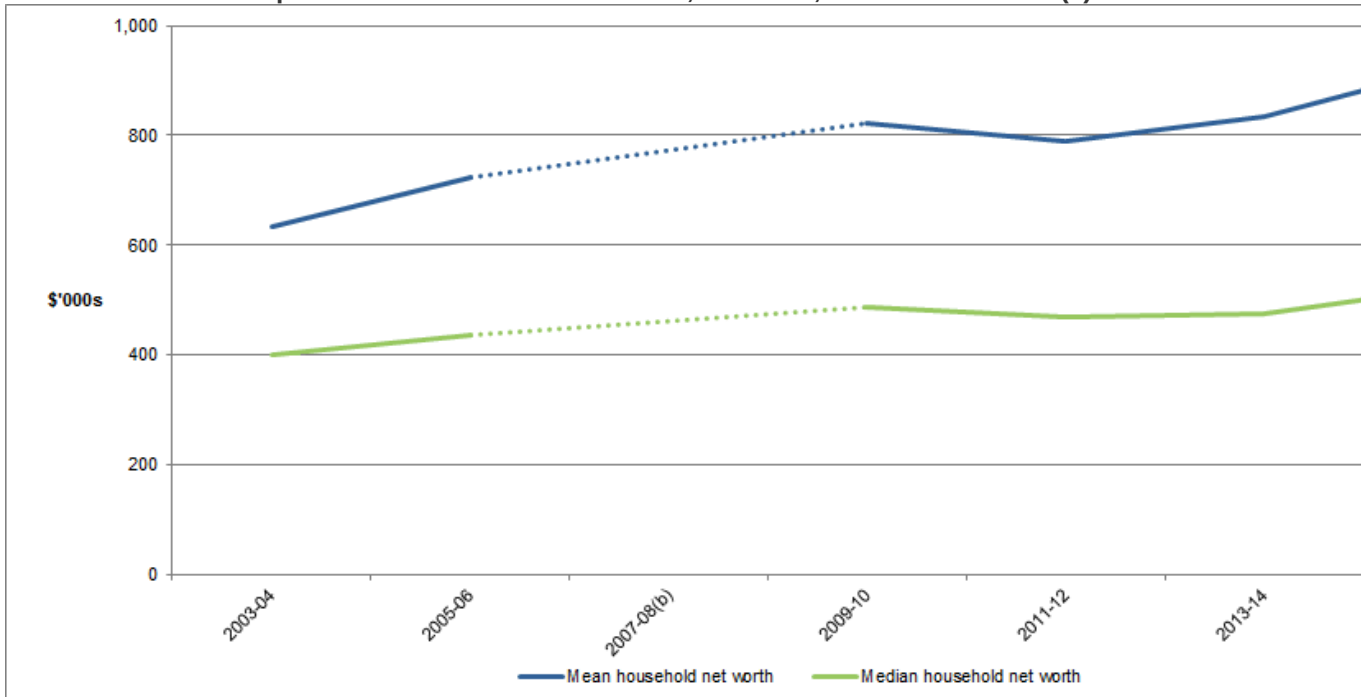
**Graph 1 - WEEKLY HOUSEHOLD INCOME, Australia, 1994-95 to 2015-16(a)**



**Footnote(s):** (a) Survey of Income and Housing data was collected in labelled years (b) Estimates presented for 2007–08 onwards are not directly comparable with estimates for previous cycles due to the improvements made to measuring income introduced in the 2007–08 cycle. Estimates for 2003–04 and 2005–06 have been recompiled to reflect the new measures of income, however not all components introduced in 2007–08 are available for earlier cycles (c) Equivalised disposable household income estimates are adjusted by equivalence factors to standardise them for variations in household size and composition, while taking into account the economies of scale that arise from the sharing of dwellings

**Source(s):** ABS Survey of Income and Housing, various years

**Graph 2 - HOUSEHOLD NET WORTH, Australia, 2003-04 to 2015-16(a)**



**Footnote(s):** (a) In 2015–16 dollars (b) Comprehensive wealth data was not collected in 2007–08

**Source(s):** ABS Survey of Income and Housing, various years

# Introduction

## INTRODUCTION

The 2015–16 cycle of the Survey of Income and Housing (SIH) collected information about income, wealth and housing from residents in private dwellings in Australia (excluding very remote areas). Every six years, the Survey of Income and Housing (SIH) and Household Expenditure Survey (HES) are run together, and 2015-16 is the latest cycle of the joint surveys. The SIH component is a two yearly survey that has been conducted on a regular basis since 1994-95.

The SIH provides estimates of the distribution of income and wealth across the population, and detailed information about housing and tenure. Various other characteristics of households and residents (e.g. employment, industry and occupation, family makeup, disability status, education and childcare use) give these key indicators a rich context to help understand the living standards and economic well-being of Australians.

To demonstrate one of the many ways in which the information collected in the SIH can be used, this publication includes a case study on solar energy in the household sector, including comparisons with the Household Energy Consumption Survey in 2012.

This publication includes Excel data cubes available from the 'Downloads' tab, with key indicators for various subpopulations and by a range of household and person characteristics, and by state and territory.

## ABOUT THE SURVEY OF INCOME AND HOUSING

The SIH was conducted annually from 1994–95 to 1997–98, and then in 1999–2000, 2000–01 and 2002–03. Commencing in 2003–04 the SIH has been conducted every two years, and has been integrated with the Household Expenditure Survey (HES) every six years. In 2003–04 and 2009–10 the SIH was integrated with the HES, as it has been again in 2015–16. In 2005–06, 2007–08, 2011–12, and 2013–14, the SIH was run as a stand-alone survey.

The 2015–16 SIH collected information from a sample of approximately 17,800 households over the period July 2015 to June 2016.

# Key Concepts

## KEY CONCEPTS

Economic wellbeing is largely determined by a person's command over economic resources. Income and wealth are the economic resources that households use to support their consumption of goods and services. This publication provides indicators of the level and distribution of household income and household wealth.

The definitions used to measure the economic wellbeing of people can have a significant impact on the results. The Australian Bureau of Statistics (ABS) follows international best practice and standards for producing statistics relating to household economic resources.

This section provides definitions for the key concepts in this release. Further information on these concepts is provided in the Glossary and Explanatory notes, as well as the User Guide (cat. no. 6503.0) which will be available in late 2017.

## INCOME

Household income consists of all current receipts, whether monetary or in kind, that are received by the household or by individual members of the household, and which are available for, or intended to support, current consumption.

Income includes receipts from:

- employee income (whether from an employer or own incorporated enterprise), including wages and

- salaries, salary sacrificed income, non-cash benefits, bonuses and termination payments;
- government pensions and allowances (includes pensions and allowances from Commonwealth and State and Territory governments as well as pensions from overseas);
- profit/loss from own unincorporated business (including partnerships);
- net investment income (interest earned, rent, dividends, royalties); and
- private transfers (e.g. superannuation, workers' compensation, income from annuities, child support, and financial support received from family members not living in the same household).

Gross income is the sum of the income from all these sources before income tax, the Medicare levy and the Medicare levy surcharge are deducted. Disposable income is the net income after these deductions.

Some limits have been placed on superannuation and other lump sum payments for inclusion in income, where the amounts received exceeds what is likely to be used to support current consumption (e.g. termination and workers' compensation lump sum payments).

While income is usually received by individuals, it is normally shared between partners in a couple relationship and with dependent children. To a lesser degree, there may be sharing with other members of the household. Even when there is no transfer of income between members of a household, or provision of free or cheap accommodation, household members are still likely to benefit from the economies of scale that arise from the sharing of dwellings. The income measures shown in this publication therefore relate to household income, rather than personal income.

## WEALTH (NET WORTH)

Household wealth (or net worth) is the value of all the *assets* owned by a household **less** the value of all its *liabilities*.

Assets include:

- non-financial assets, such as dwellings and their contents, land, and vehicles;
- own incorporated and unincorporated businesses; and
- other financial assets such as bank accounts, shares, superannuation accounts, and the outstanding value of loans made to other households or businesses.

Liabilities are primarily the value of loans outstanding including:

- mortgages;
- investment loans;
- credit card debt;
- borrowings from other households; and
- other personal and study loans.

## EQUIVALISATION

As household size increases, consumption needs also increase but there are economies of scale. An equivalence scale is used to adjust household incomes to take account of the economies that flow from sharing resources and enable more meaningful comparisons between different types of households.

Equivalising factors are calculated based on the size and composition of the household, recognising that children typically have fewer needs than adults. The ABS uses the OECD-modified equivalence scale which assigns a value of 1 to the household head, 0.5 to each additional person 15 years or older and 0.3 to each child under 15 years.

For a lone person household, equivalised income is equal to actual income. For households comprising more than one person, it is the estimated income that a lone person household would need to enjoy the same standard of living as the household in question.

Table 1 shows that a couple household with one child would need \$1,800 weekly disposable income to have the same equivalised disposable household income as a lone person household with a disposable income of \$1,000.

**TABLE 1 EXAMPLES OF EQUIVALISED INCOME**

Household composition	Equivalising factor (x) no.	Disposable income (y) \$	Equivalised disposable income (y/x) \$
Lone person	1.0	1 000	1 000
Couple only	$(1 + 0.5) = 1.5$	1 500	1 000
Couple with one child under 15 years	$(1 + 0.5 + 0.3) = 1.8$	1 800	1 000
Group household with three adults	$(1 + 0.5 + 0.5) = 2.0$	2 000	1 000

Equivalence scales are mainly used for household income, but can also be used for household wealth.

## FACT SHEETS

The Household Economic Wellbeing Fact Sheet Series is available from the publication Household Income and Income Distribution, Australia, 2011–12 (cat. no. 6523.0) 'Downloads' tab and provides a broad overview of the key concepts and data sources for measuring household economic wellbeing. The Household Economic Wellbeing fact sheet series currently comprises:

- Fact sheet 1. What is household economic wellbeing?
- Fact sheet 2. Understanding measures of income and wealth
- Fact sheet 3. Low economic resource households
- Fact sheet 4. Key data sources
- Fact sheet 5. Changes over time

The series may be expanded in the future to cover other aspects of these important statistics.

## Household Income and Wealth

### HOUSEHOLD INCOME AND WEALTH

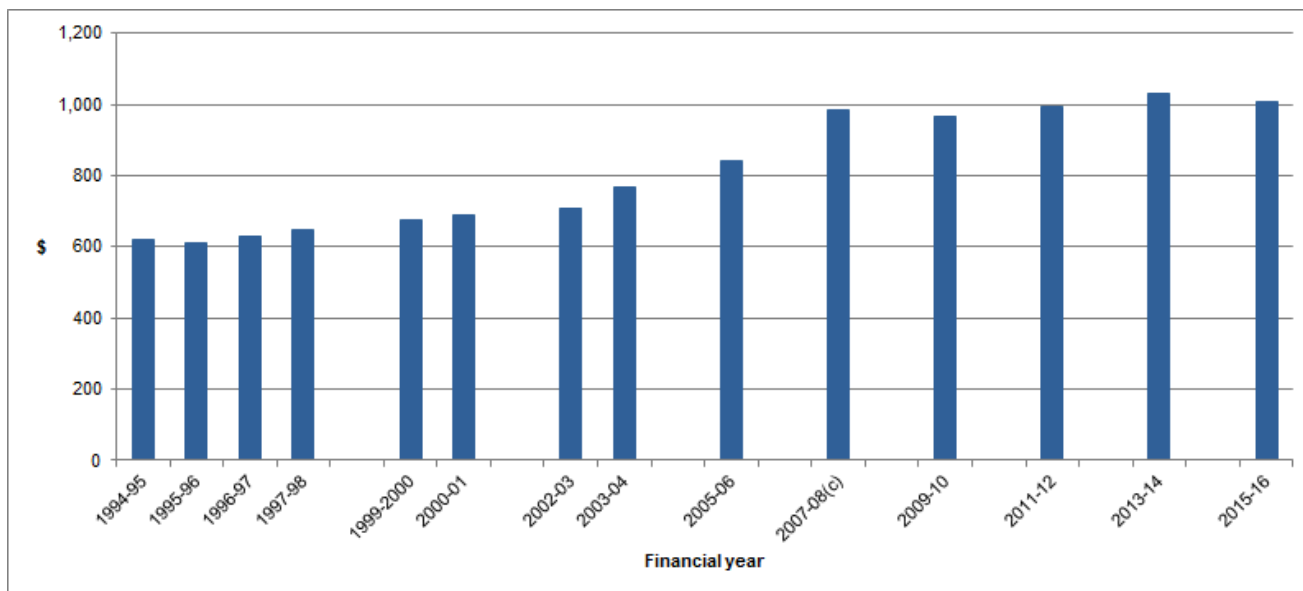
For most Australians, income is the most important resource they have to meet their living costs. However, reserves of wealth can be drawn upon to maintain living standards in periods of reduced income or substantial unexpected expenses. Considering income and wealth together helps to better understand the economic wellbeing or vulnerability of households.

## Household Income and Wealth Levels

### HOUSEHOLD INCOME AND WEALTH LEVELS

Mean equivalised disposable household income (EDHI) in 2015–16 was \$1,009 per week. After adjusting to 2015–16 dollars, this has not changed significantly from 2013–14 (\$1,029 per week). As shown in Graph 1, EDHI increased in real terms from 1995–96 to 2007–08. A decline in average income followed the Global Financial Crisis (GFC) in 2008. Average income has since recovered and is now higher than before the GFC.

### Graph 1- MEAN WEEKLY EQUIVALISED DISPOSABLE HOUSEHOLD INCOME, 1994-95 to 2015-16(a)(b)



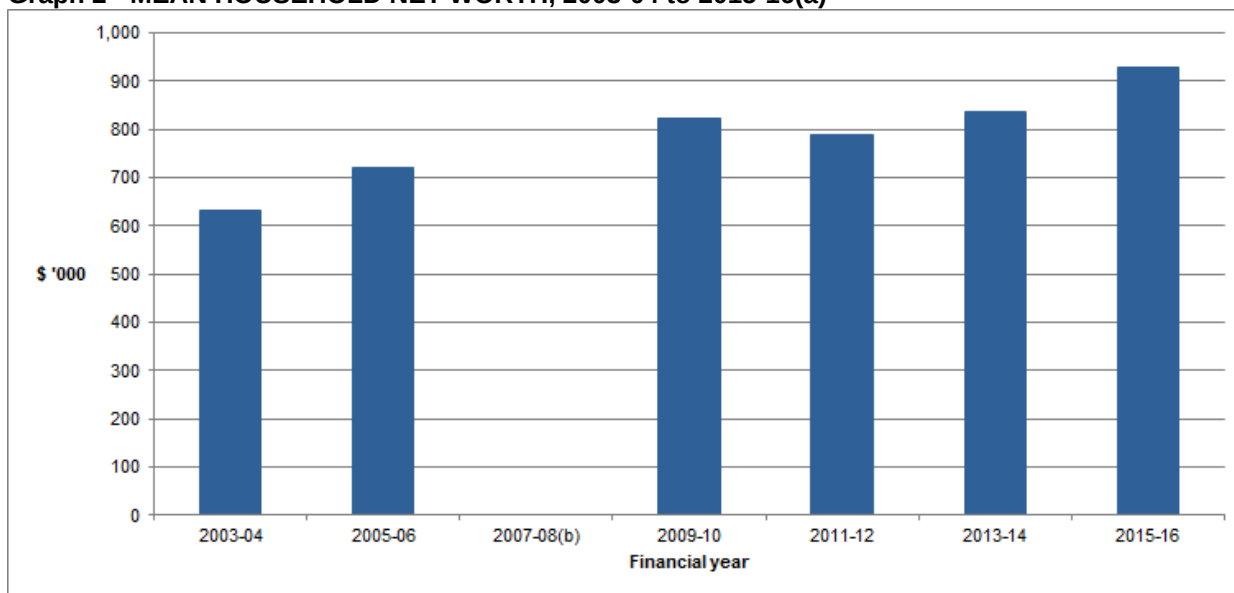
**Footnote(s):** (a) Survey of Income and Housing data was collected in labelled years (b) Adjusted for 2015–16 dollars (c) Estimates presented for 2007–08 onwards are not directly comparable with estimates for previous cycles due to the improvements made to measuring income introduced in the 2007–08 cycle. Estimates for 2003–04 and 2005–06 have been recompiled to reflect the new measures of income, however not all components introduced in 2007–08 are available for earlier cycles

**Source(s):** ABS Survey of Income and Housing, various years

In 2015–16, employee income was the main source of household income for 61% of households, while a further 24% received their main source of income from government pensions and allowances, similar to 2013–14.

In 2015–16, average household wealth (net worth) was \$929,400. After adjusting to 2015–16 dollars, average wealth has increased by 11% since 2013–14 (\$835,300 in real terms). Wealth is the value of a household's assets minus the value of its liabilities (debts). In 2015–16, the mean value of household assets was \$1.1 million while the mean level of household debt was \$168,600.

**Graph 2 - MEAN HOUSEHOLD NET WORTH, 2003-04 to 2015-16(a)**



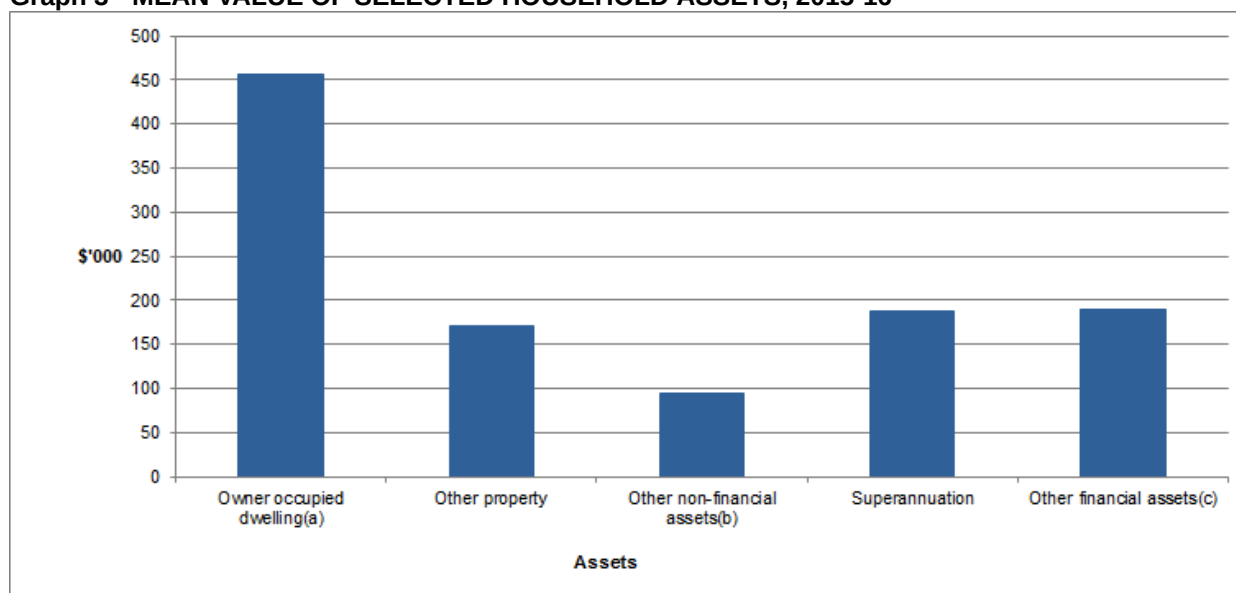
**Footnote(s):** (a) Adjusted for 2015–16 dollars (b) Comprehensive wealth data were not collected in the 2007–08 SIH

**Source(s):** ABS Survey of Income and Housing, various years

As shown in Graph 3, owner occupied dwellings were the largest asset held by households, representing a value of \$456,100 when averaged across all households, accounting for 42% of household assets. Superannuation funds were the second largest household asset overall, and the largest financial asset, averaging \$188,400 per household across all households. Superannuation funds accounted for 17% of household assets.

Almost one quarter of households (24%) owned property other than the dwelling in which they lived, including residential and non-residential property for rent, and holiday homes. The value of property other than the home averaged \$171,000 across all households and accounted for 16% of total assets.

**Graph 3 - MEAN VALUE OF SELECTED HOUSEHOLD ASSETS, 2015-16**

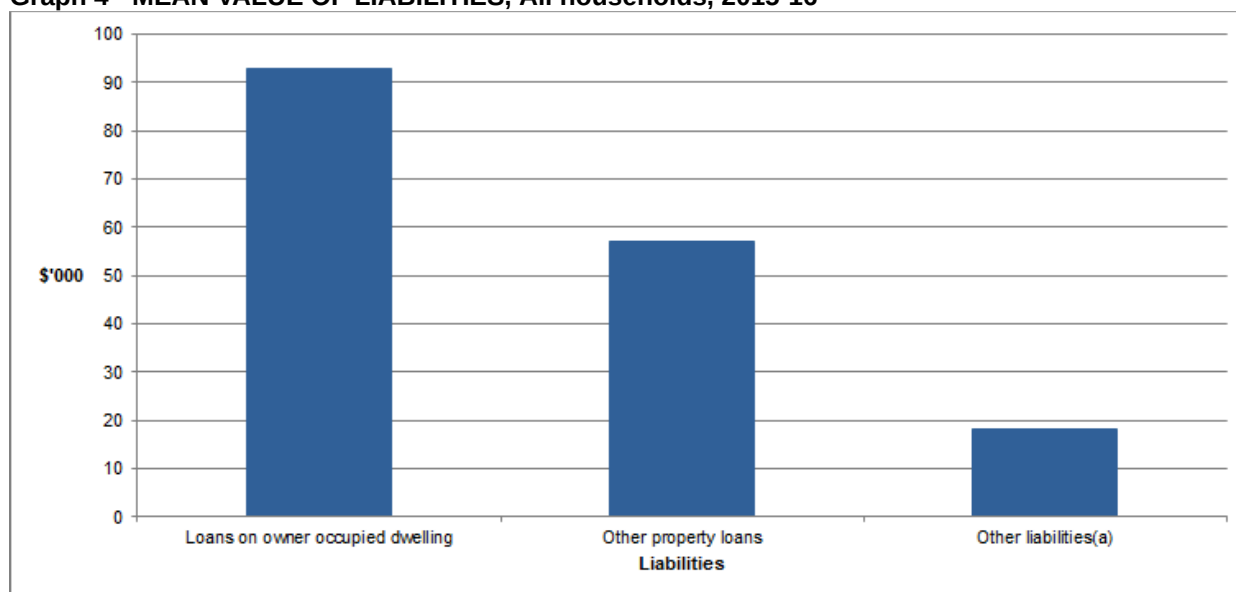


**Footnote(s):** (a) Includes stand alone houses, semi-detached and units (b) Includes contents of dwelling and vehicles (c) Includes accounts held in financial institutions, offset accounts, shares, public unit trusts, private trusts, own business (net of liabilities)

**Source(s):** ABS Survey of Income and Housing, 2015-16

In 2015–16, household debts were, on average, \$168,600. Average equity (the difference between the value of the home and the remaining value of the loan) in owner occupied homes was \$363,200. As shown in Graph 4, for all households, the average amount owing on home loans was \$92,900, while the amount outstanding on loans outstanding for other property averaged \$56,900. For all households, the average study loan debt was \$4,200 and the average credit card debt was \$2,600.

**Graph 4 - MEAN VALUE OF LIABILITIES, All households, 2015-16**



**Footnote(s):** (a) Includes study loans, credit cards, loans for vehicle purchases, investment loans, and loans for other purposes.

**Source(s):** ABS Survey of Income and Housing, 2015-16

## Household Income and Wealth Distribution

### HOUSEHOLD INCOME AND WEALTH DISTRIBUTION

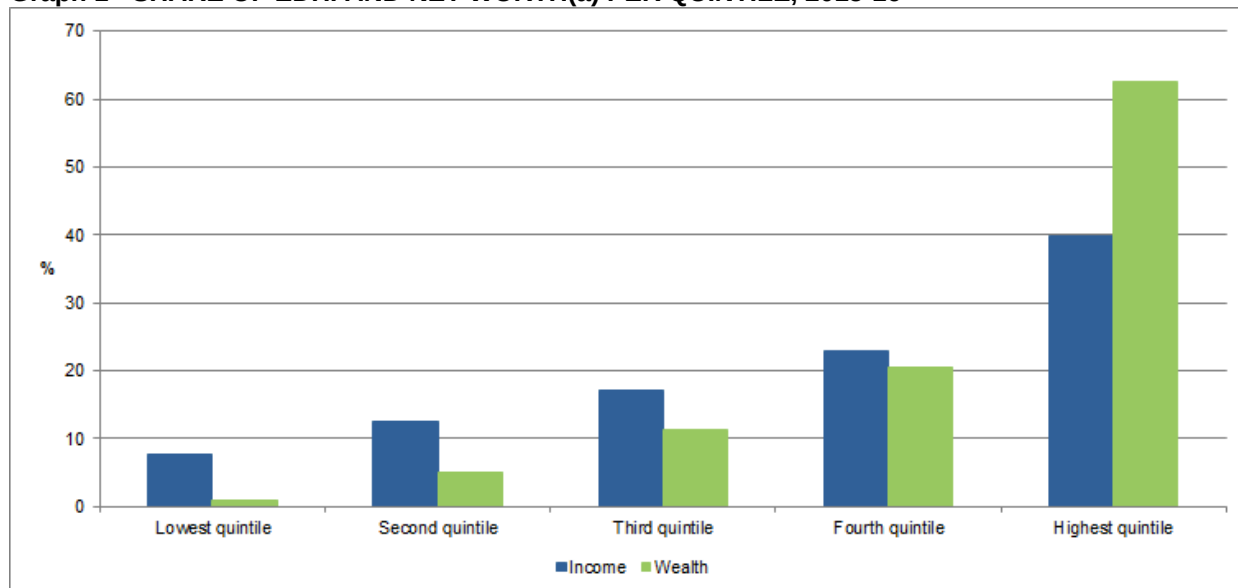
To analyse the way that income and wealth are shared across households in Australia, households are ranked from lowest to highest income or wealth and then divided into five equal groups with 20% of the population in

each group (quintiles).

As shown in Graph 1, after taking account of the number and age of people in the household, households in the highest income quintile received 40% of total income in 2015–16. By comparison, households in the lowest income quintile received just 8% of total income. This pattern has remained relatively stable over the past 22 years.

The distribution of wealth is more unequal than the distribution of income. Graph 1 shows that the wealthiest 20% of Australian households owned 63% of total household wealth in 2015–16. By comparison, the lowest 20% of households owned less than 1% of all household wealth.

**Graph 1 - SHARE OF EDHI AND NET WORTH(a) PER QUINTILE, 2015-16**

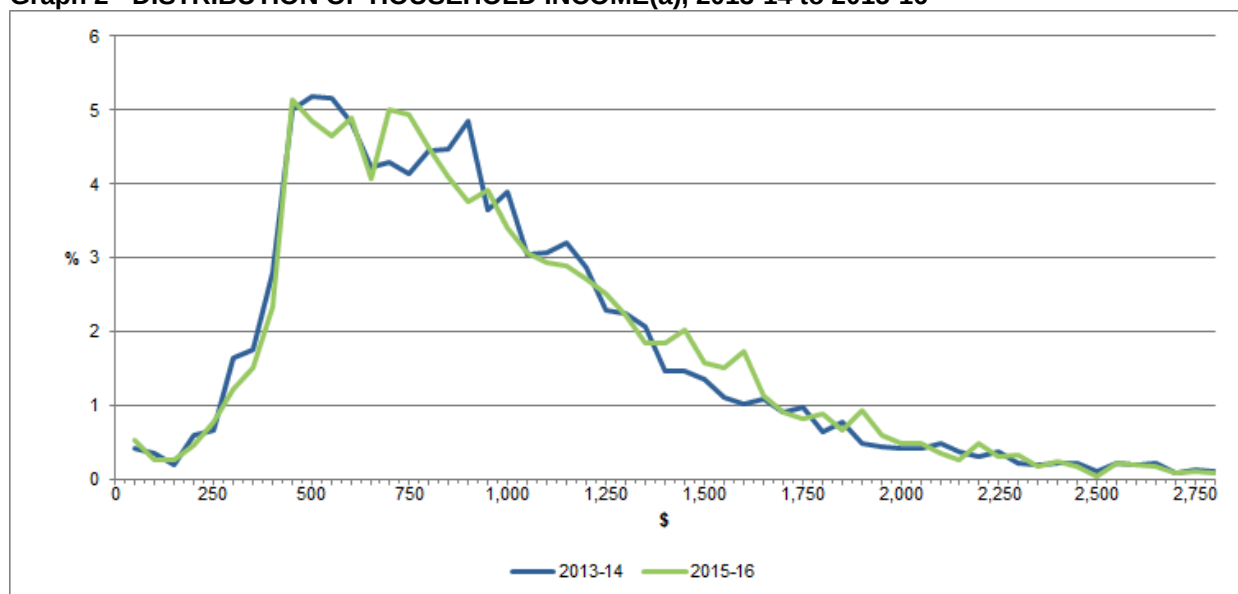


**Footnote(s):** (a) Equivalised disposable household income

**Source(s):** ABS Survey of Income and Housing, 2015–16

Mean equivalised disposable household income in Australia in 2015–16 was \$1,009 per week. The median was lower, however, at \$853 per week. This is due to the larger proportion of households with middle or low income and the small proportion of very high income households, as shown in Graph 2.

**Graph 2 - DISTRIBUTION OF HOUSEHOLD INCOME(a), 2013-14 to 2015-16**



**Annotation(s):** Persons with an income between \$50 and \$2,800 are shown in \$50 ranges on the graph

**Footnote(s):** (a) Equivalised Disposable Household Income, weekly

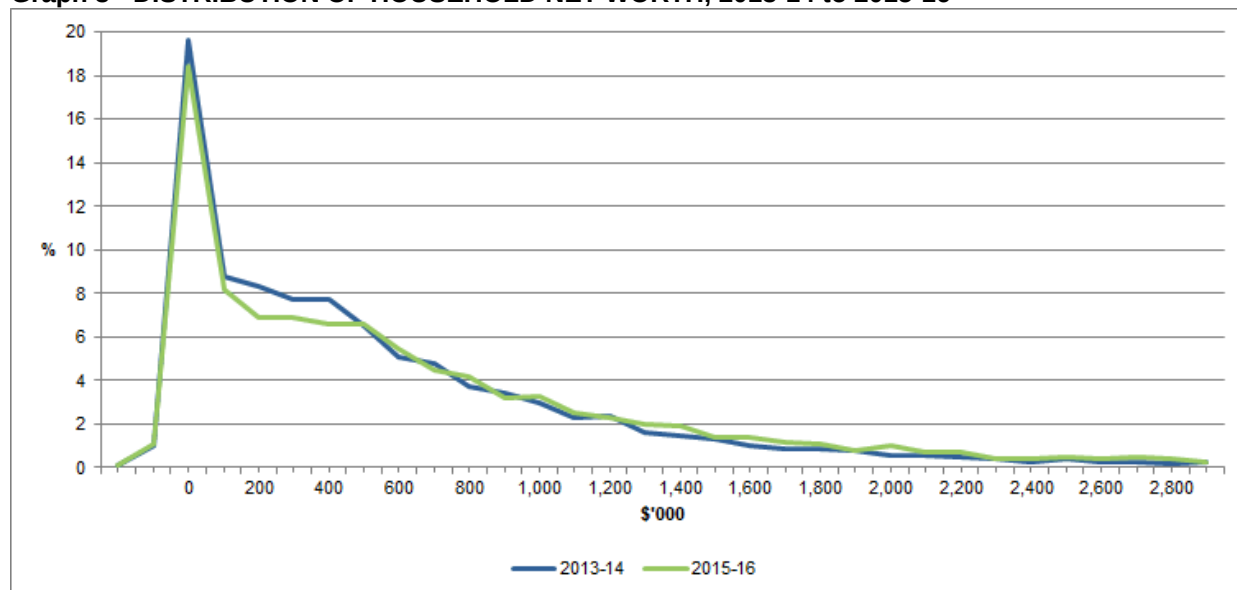
**Source(s):** ABS Survey of Income and Housing, 2013–14, 2015–16

As shown in Graph 3, there is greater inequality in the distribution of wealth than income. The lowest 20% of



households, in terms of net worth, had a mean net worth of \$36,500. In comparison, the mean net worth of the wealthiest 20% of households was more than 70 times that of the lowest 20% of households, at \$2,906,400. The mean net worth of all households in Australia in 2015–16 was \$929,400 while the median was much lower at \$527,000.

**Graph 3 - DISTRIBUTION OF HOUSEHOLD NET WORTH, 2013-14 to 2015-16**



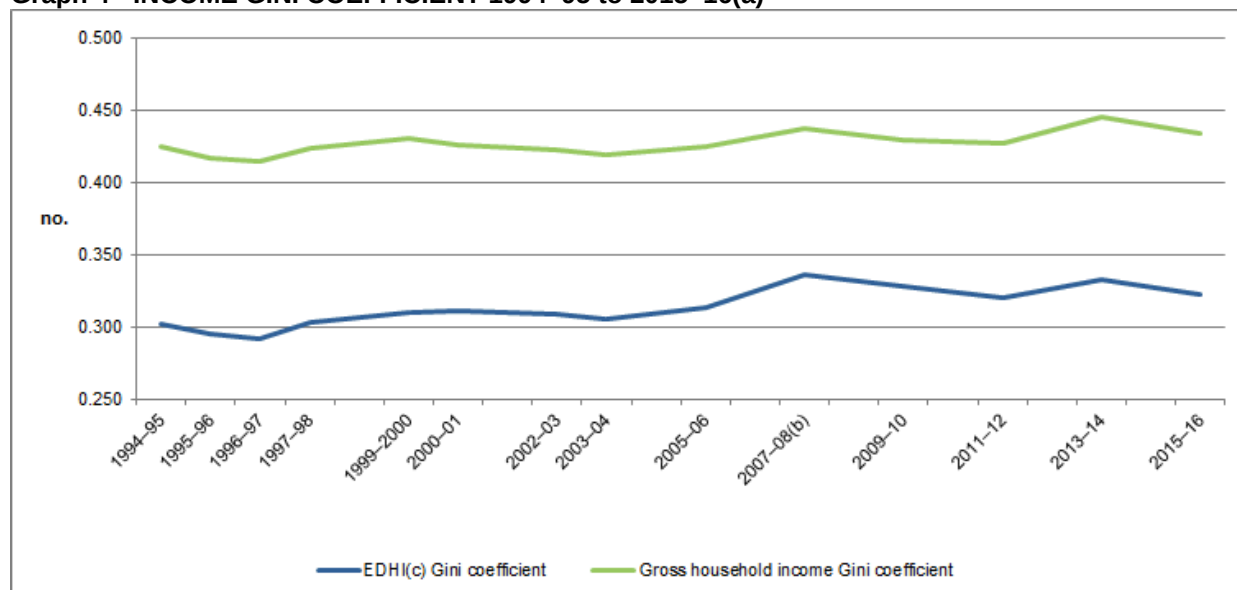
**Annotation(s):** Households with net worth between \$-100,000 and \$3,000,000 are shown in \$100,000 increments

**Source(s):** ABS Survey of Income and Housing, 2013–14, 2015–16

There are many summary indicators that can be used to help understand the distribution of income and wealth across the population. The ABS uses the Gini coefficient as an internationally comparable indicator. The Gini coefficient lies between 0 and 1. If everyone in the population had the same income or wealth, the Gini coefficient would be zero. Gini coefficient values that are closer to 1 represent greater inequality. Compared to other summary indicators, the Gini coefficient is not overly sensitive to low or negative incomes.

In 2015–16, the Gini coefficient for gross household income was 0.434. After taking into account household composition and income tax, the Gini coefficient for EDHI was 0.323.

**Graph 4 - INCOME GINI COEFFICIENT 1994–95 to 2015–16(a)**

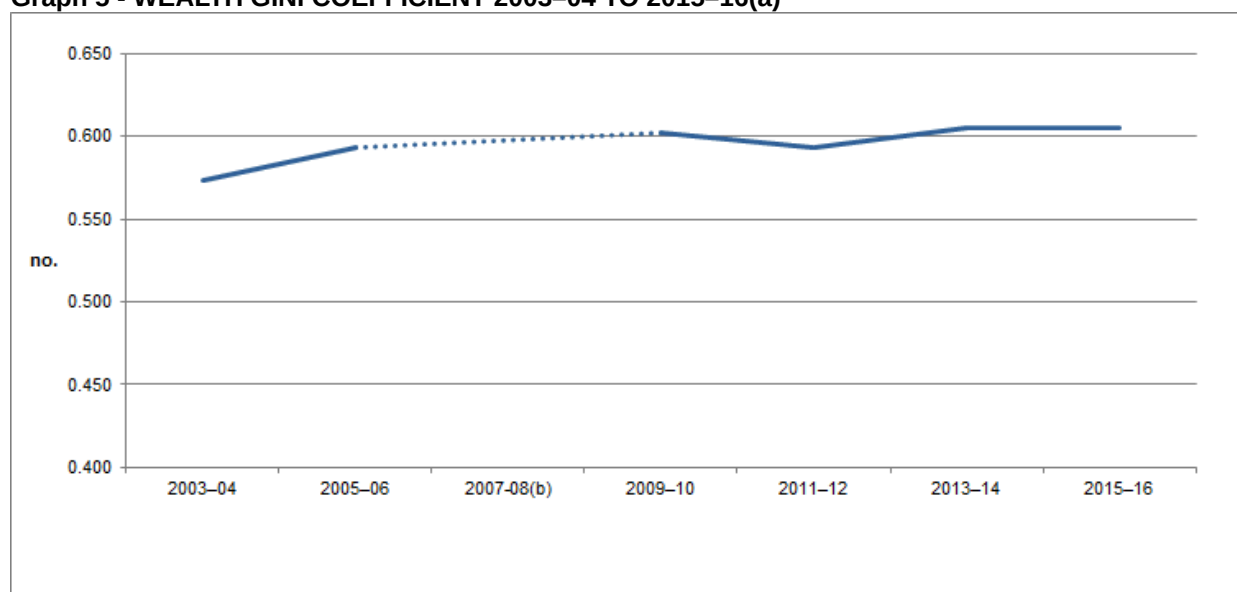


**Footnote(s):** (a) Survey of Income and Housing data was collected in labelled years (b) Estimates presented for 2007–08 onwards are not directly comparable with estimates for previous cycles due to the improvements made to measuring income introduced in the 2007–08 cycle. Estimates for 2003–04 and 2005–06 have been recompiled to reflect the new measures of income, however not all components introduced in 2007–08 are available for earlier cycles (c) Equivalised disposable household income

**Source(s):** ABS Survey of Income and Housing, 2015–16

The Gini coefficient for wealth is typically higher than for income, reflecting greater inequality in the distribution of wealth. The Gini coefficient for wealth in 2015–16 was 0.605.

**Graph 5 - WEALTH GINI COEFFICIENT 2003–04 TO 2015–16(a)**



**Footnote(s):** (a) Comprehensive wealth data was not collected in 2007–08

**Source(s):** ABS Survey of Income and Housing, 2015–16

## Characteristics of Low, Middle and High Income Households

### DEFINING LOW, MIDDLE AND HIGH INCOME AND WEALTH HOUSEHOLDS

Households with middle and high incomes tend to have a corresponding level of economic resources and wellbeing. Low income households, however, do not always have a lower level of economic well-being, because low income households may have stores of wealth which help to support their living standards.

In this section, the characteristics of households with different income and wealth levels are compared. For this comparison:

- High income households refers to the 20% of households in the highest equivalised disposable household income quintile;
- Middle income households refers to the 20% of households in the third equivalised disposable household income quintile; and
- Low income households refers to the 18% of households in the lowest equivalised disposable household income quintile, adjusted to exclude the first and second percentiles.

This low income definition was introduced in SIH 2013-14. This adjusted low income measure captures genuinely low income households by excluding those with nil or negative income, or income significantly below government pension rates. Such households may be experiencing a temporary economic setback, or have stores of wealth to support their living costs.

Equivalised disposable household income (EDHI) estimates are adjusted by equivalence factors to standardise them for variations in household size and composition, while taking into account the economies of scale that arise from the sharing of dwellings. When discussing income in this chapter, we are referring to EDHI.

To compare different wealth levels:

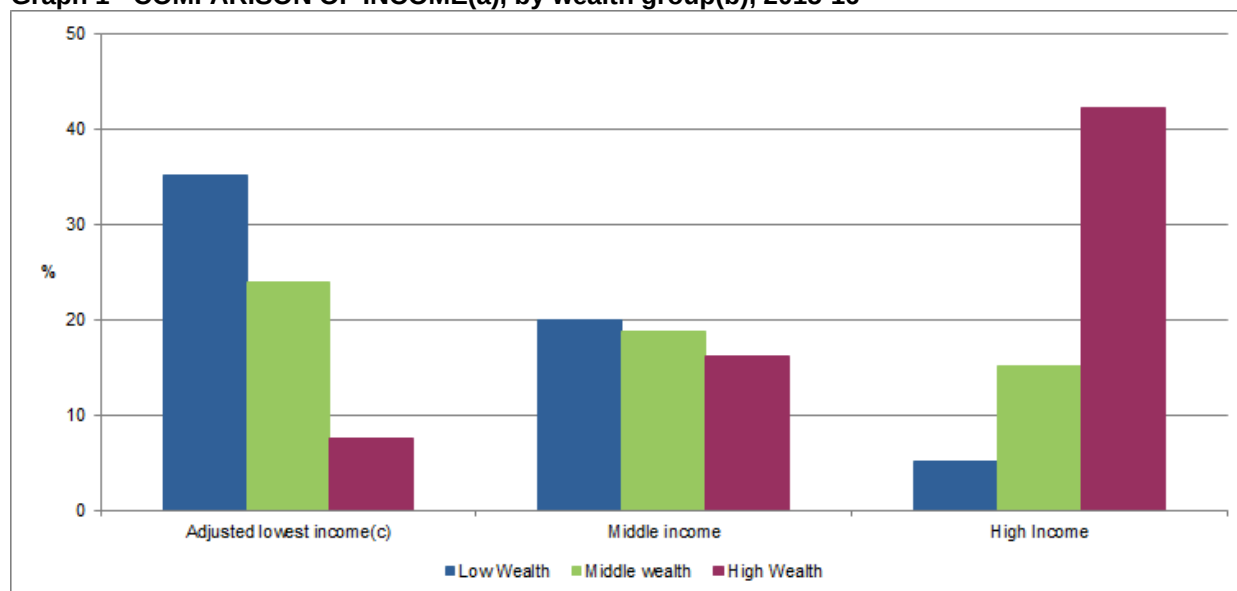
- High wealth households refers to the 20% of households in the highest net worth quintile;
- Middle wealth households refers to the 20% of households in the third net worth quintile; and
- Low wealth households refers to the 20% of households in the lowest net worth quintile.

For more information see the User Guide (cat. no. 6503.0) which will be released later in 2017.

## CHARACTERISTICS OF LOW, MIDDLE AND HIGH INCOME HOUSEHOLDS

Around 35% of low wealth households also have relatively low incomes, while around 8% of low wealth households are in the top income quintile. This pattern is reversed for high wealth households, with 42% also having relatively high incomes and about 5% having high wealth but relatively low incomes as shown in Graph 1.

**Graph 1 - COMPARISON OF INCOME(a), by wealth group(b), 2015-16**

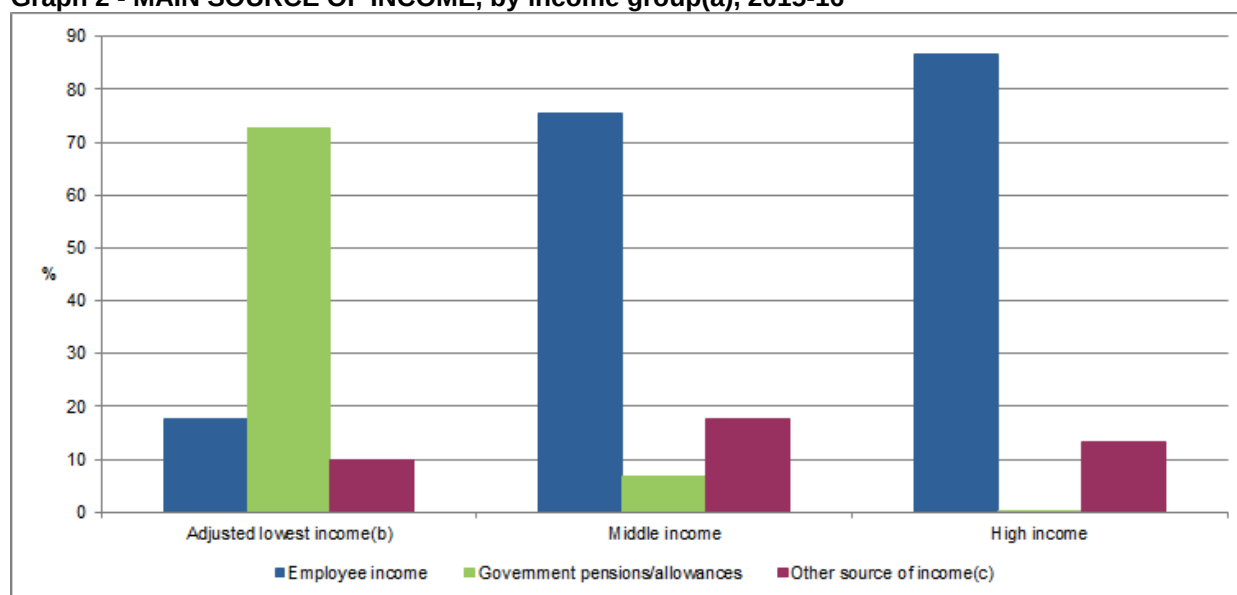


**Footnote(s):** (a) Based on net worth of the household (b) Based on Equivalised Disposable Household Income (c) Excludes the first and second percentiles

**Source(s):** ABS Survey of Income and Housing, 2015-16

Low income households are most likely to rely on government pensions and allowances as their main source of income, whereas employee income is the main income source for middle and high income households, as shown in Graph 2.

**Graph 2 - MAIN SOURCE OF INCOME, by income group(a), 2015-16**

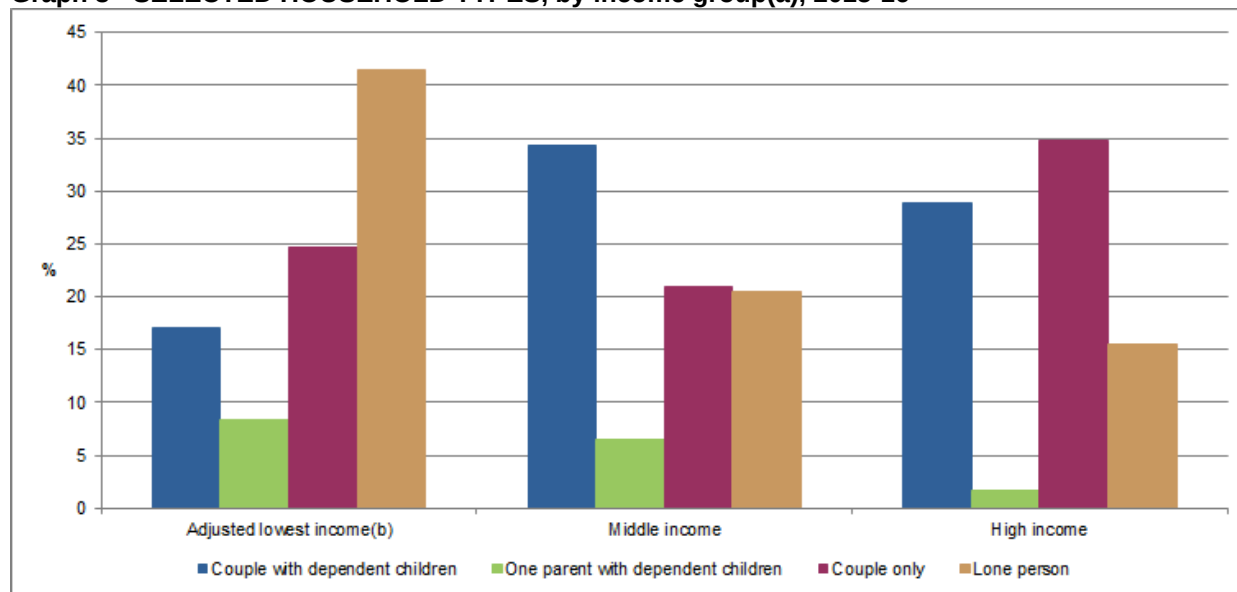


**Footnote(s):** (a) Based on equivalised disposable household income (b) Excludes the first and second percentiles (c) Includes zero or negative income, own un-incorporated business income and other income

**Source(s):** ABS Survey of Income and Housing, 2015-16

Some household types are more common in the low income group, as shown in Graph 3. Lone person households are more likely to be in the low income group, while couple only households are more likely to be in the high income group.

**Graph 3 - SELECTED HOUSEHOLD TYPES, by income group(a), 2015-16**



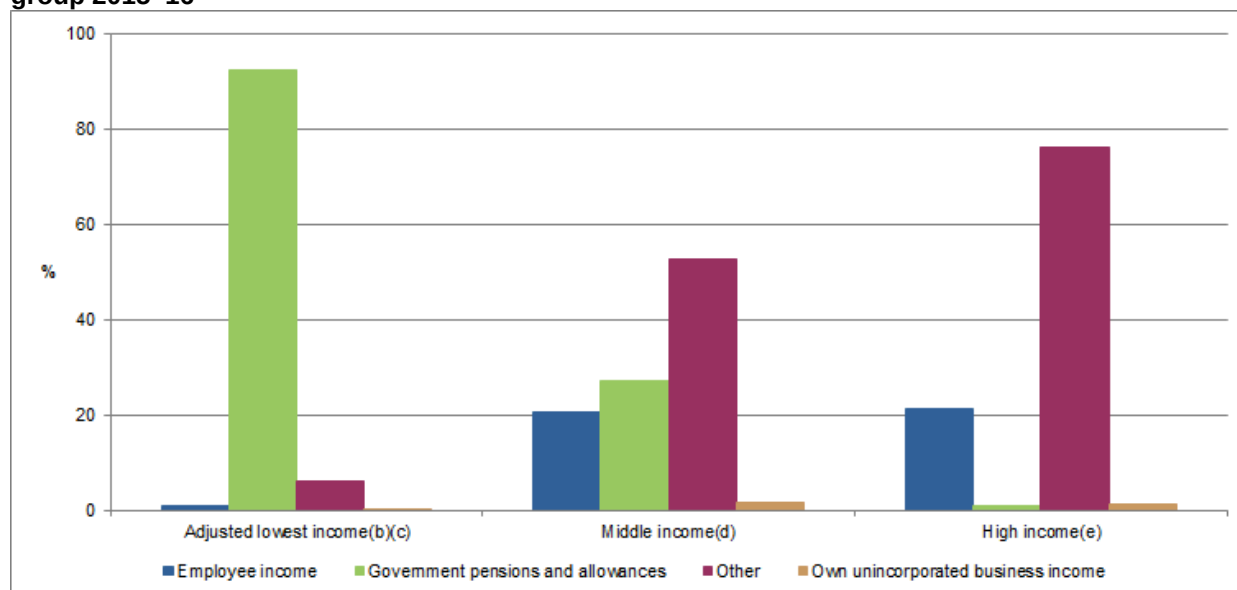
**Footnote(s):** (a) Based on equivalised disposable household income (b) Excludes the first and second percentiles

**Source(s):** ABS Survey of Income and Housing, 2015-16

For the analysis below a retiree household is defined as a household where the reference person in the household was 65 years or older and not in the labour force.

As can be seen in Graph 4 below, high income retiree households were more likely (76%) to draw their income from other income (including superannuation) than any other income source. For middle income retiree households, own other income was also the most common source of household income (53%). Low income retiree households were more like to draw their income from government pensions and allowances (92%).

**Graph 4 - PROPORTION OF RETIREE(a) HOUSEHOLDS, by main source of household income, by income group 2015-16**



**Footnote(s):**(a) Households where reference person was 65 years or older and they were not in the labour force (b) Excludes the first and second percentiles (c) Own unincorporated business income for low income households has an RSE 25%-50% and should be used with caution (d) Own unincorporated business income and government pensions and allowances for middle income households has an RSE greater than 50% and is considered too unreliable for general use (e) Government pensions and allowances for high income households has an RSE of 25%-50% and should be used with caution

**Source(s):** ABS Survey of Income and Housing, 2015-16

# Changes in Income Over Time

## DEFINING LOW, MIDDLE AND HIGH INCOME

Households with middle and high incomes tend to have a corresponding level of economic resources and wellbeing. Low income households, however, do not always have a lower level of economic well-being, because low income households may have stores of wealth which help to support their living standards.

In this section, the characteristics of households with different income and wealth levels are compared. For this comparison:

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This low income definition was introduced in SIH 2013-14. This definition better captures households that have low economic resources by excluding those with nil or negative income, or income significantly below government pension rates. Such households often are either experiencing a temporary economic setback or have stores of wealth to support their living costs.

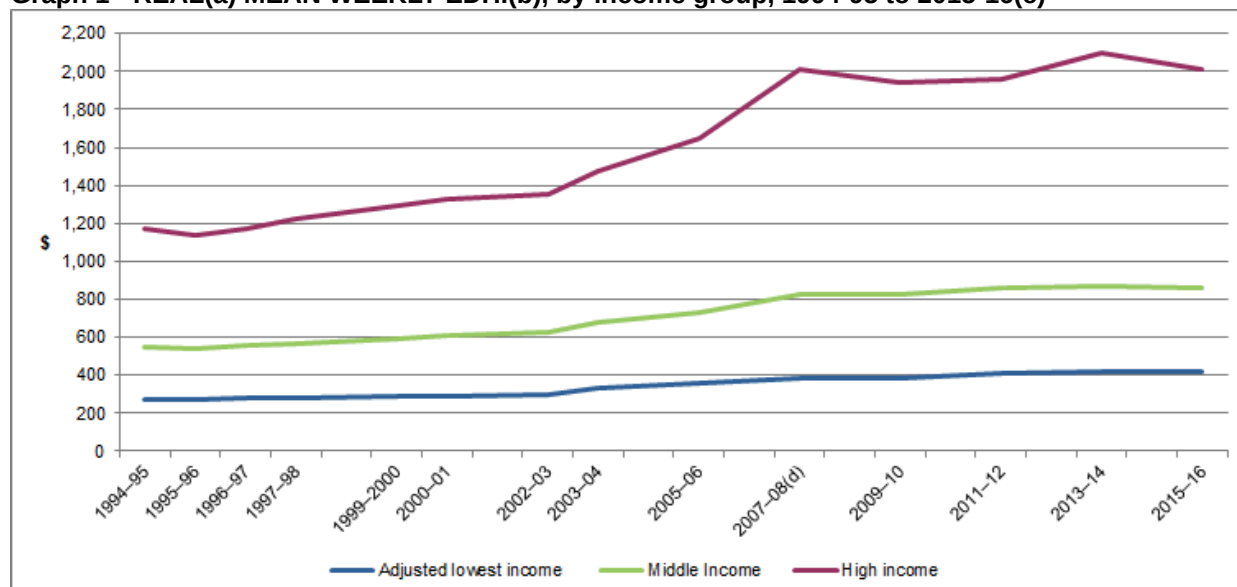
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## CHANGES IN INCOME OVER TIME

Change in the distribution of income and wealth over time are a key area of interest for social and economic policy analysts and researchers. Distribution analysis can indicate whether the material living standards of the community are improving evenly across the population.

As shown in Graph 1, between 1994–95 and 2015–16, the mean income of low income households increased by \$151 per week in real terms to reach \$421 per week in 2015–16. Middle income households increased by \$309 per week over the same time period to reach \$856 per week in 2015-16. In comparison, high income households increased by \$841 per week to reach \$2,009 per week.

**Graph 1 - REAL(a) MEAN WEEKLY EDHI(b), by income group, 1994-95 to 2015-16(c)**



**Footnote(s):** (a) In 2015-16 dollars, adjusted using changes in the Consumer Price Index (b) Equivalised Disposable Household Income (c) Survey of Income and Housing data was collected in labelled years (d) In 2007-08 there was a change in income standards, see Explanatory Notes for more information

**Source(s):** ABS Survey of Income and Housing, various years

All income groups have experienced a real increase in their income since the mid-1990s. Some of the growth in middle and high income groups was due to a broadening of the Survey of Income and Housing (SIH) income measure from 2003–04, with further improvements in 2007–08. However, there were also real increases in average incomes during this period.

## Characteristics of Low, Middle and High Wealth Households

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### DEFINING LOW, MIDDLE AND HIGH INCOME AND WEALTH

Households with middle and high incomes tend to have a corresponding level of economic resources and wellbeing. Low income households, however, do not always have a lower level of economic well-being, because low income households may have stores of wealth which help to support their living standards.

In this section, the characteristics of households with different income and wealth levels are compared. For this comparison:

- High income households refers to the 20% of households in the highest equivalised disposable household income quintile;
- Middle income households refers to the 20% of households in the third equivalised disposable household income quintile; and
- Low income households refers to the 18% of households in the lowest equivalised disposable household income quintile, adjusted to exclude the first and second percentiles.

This low income definition was introduced in SIH 2013-14. This definition better captures households that have low economic resources by excluding those with nil or negative income, or income significantly below government pension rates. Such households often are either experiencing a temporary economic setback or have stores of wealth to support their living costs.

Equivalised disposable household income (EDHI) estimates are adjusted by equivalence factors to standardise them for variations in household size and composition, while taking into account the economies of scale that arise from the sharing of dwellings. When discussing income in this chapter, we are referring to EDHI.

To compare different wealth levels:

- High wealth households refers to the 20% of households in the highest net worth quintile;
- Middle wealth households refers to the 20% of households in the third net worth quintile; and
- Low wealth households refers to the 20% of households in the lowest net worth quintile

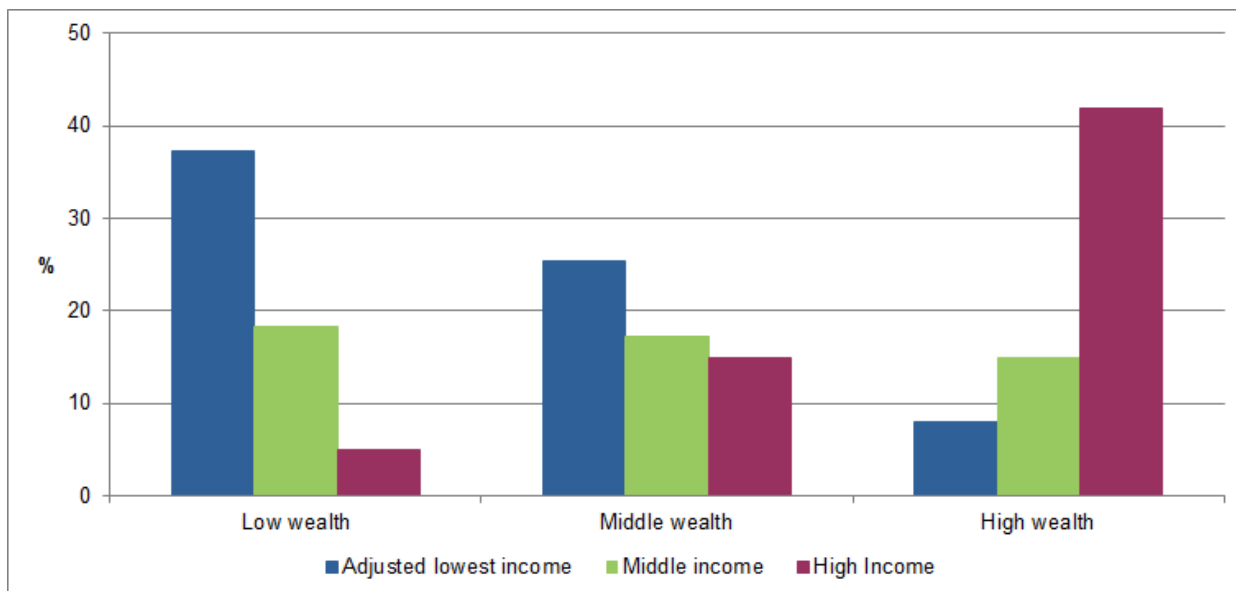
For more information see the User Guide (cat. no. 6503.0) which will be released later in 2017.

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### CHARACTERISTICS OF LOW, MIDDLE AND HIGH WEALTH HOUSEHOLDS

In 2015–16, over a third (37%) of low income households had wealth levels in the lowest wealth group (less than \$104,500), one in four (25%) had medium levels of household wealth. Less than ten percent (8%) of low income households had net worth exceeding \$1.3 million (that is they were in the top net wealth quintile) and are unlikely to be at risk of experiencing economic hardship, as shown in Graph 1.

#### Graph 1 - COMPARISON OF WEALTH(a), by income group(b), 2015-16

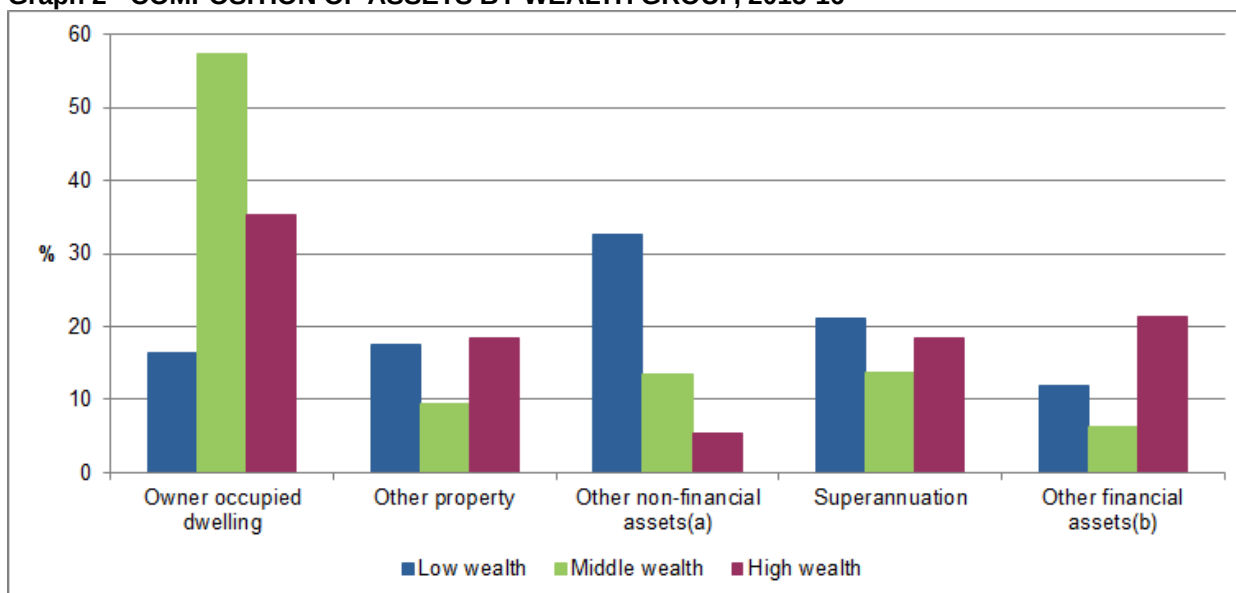


**Footnote(s):** (a) Based on equivalised disposable household income (b) Based on net worth of the household  
**Source(s):** ABS Survey of Income and Housing, 2015–16

The main asset for low wealth households in 2015-16 was property (owner occupied dwellings and other property) (34%), however, due to the lower level of property ownership for this group (7%), the majority of the low wealth group did not benefit from property ownership. For this group, owner occupied dwellings contributed 16% to their wealth. Other non-financial assets (including dwelling contents and vehicles) made up a third (33%) of the assets for the low wealth group.

The main asset for middle and high wealth households was also property, but in contrast to low wealth households, both these groups have property ownership rates over 95%. For middle and high wealth households, owner occupied dwellings contributed 57% and 35% respectively to their wealth, as can be seen in Graph 2.

**Graph 2 - COMPOSITION OF ASSETS BY WEALTH GROUP, 2015-16**



**Footnote(s):** (a) Includes contents of dwelling and vehicles (b) Includes accounts held in financial institutions, offset accounts, shares, public unit trusts, private trusts and own business (net of liabilities)  
**Source(s):** ABS Survey of Income and Housing, 2015–16

As shown in Graph 3, the major source of debt for high and middle wealth households are property loans. Property loans made up 88% of total liabilities for the high wealth households, with almost half (46%) of this group having property loans. Although just over half (55%) of middle wealth households had property liabilities, they made 93% of the total value of liabilities for this group. This drops significantly to two thirds (66%) of total liabilities for low wealth households, where only 5% have an owner occupied dwelling or other property liability.

Additionally, 21% of low wealth households have debt outstanding on study loans which accounts for 16% of

total liabilities for all low wealth households. This drops significantly to account for less than 2% of total liabilities owed by both middle and high wealth households due to the much higher value of other liabilities for these groups. Around 15% of middle wealth households and 17% of high wealth households have study loans.

**Graph 3 - TYPES OF LIABILITIES (% OF ALL LIABILITIES), by wealth group, 2015-16**



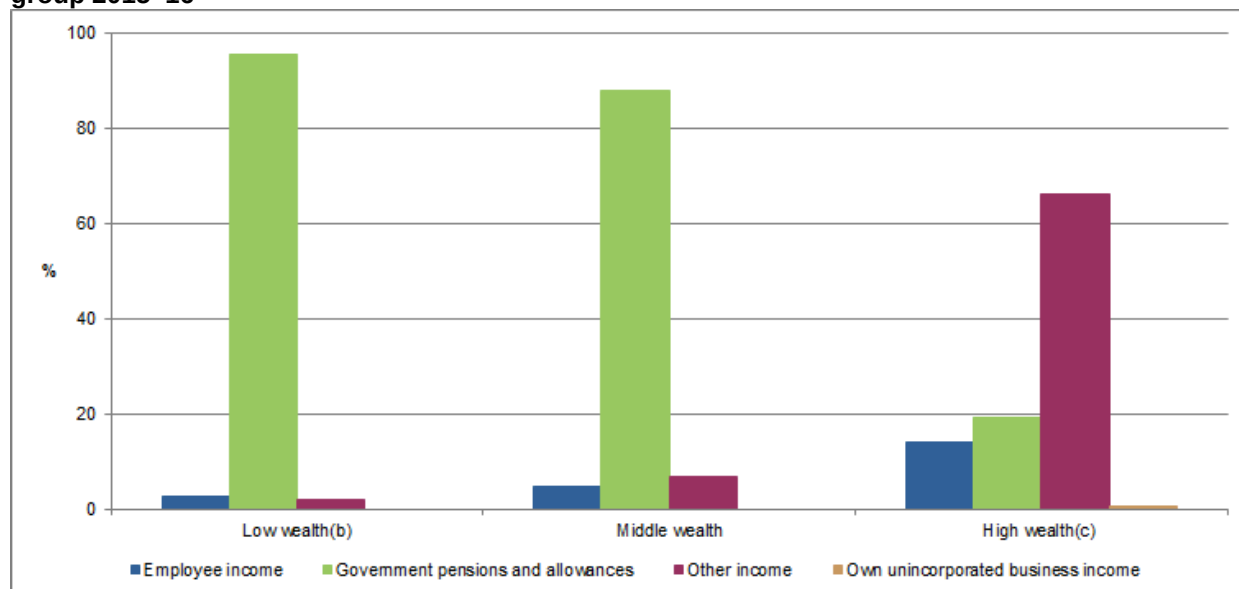
**Footnote(s):** (a) Includes principal outstanding on loans for vehicle purchases (excludes business and investment loans), principal outstanding on investment loans (excludes business and rental property loans), and principal outstanding on loans for other purposes (excludes business and investment loans)

**Source(s):** ABS Survey of Income and Housing, various years

For the analysis below a retiree household is defined as a household where the reference person in the household was 65 years or older and not in the labour force.

High wealth retiree households are more likely (66%) to draw the household income from other income (including superannuation) than any other income source. For low and middle wealth retiree households the main source of income was most likely to be government pensions and allowances (96% and 88% respectively).

**Graph 4 - PROPORTION OF RETIREE(a) HOUSEHOLDS, by main source of household income, by wealth group 2015-16**



**Footnote(s):** (a) Households where reference person was 65 years or older and they were not in the labour force (b) Employee income and other income proportions for low wealth households has an RSE of 25%-50% and should be used with caution (c) Own unincorporated business income for high wealth households has an RSE of more than 50% and is considered too unreliable for general use

**Source(s):** ABS Survey of Income and Housing, 2015-16



# Changes in Wealth Over Time

## DEFINING LOW, MIDDLE AND HIGH WEALTH

In this section, the characteristics of households with different wealth levels are compared. For this comparison:

- High wealth households refers to the 20% of households in the highest net worth quintile;
- Middle wealth households refers to the 20% of households in the third net worth quintile; and
- Low wealth households refers to the 20% of households in the lowest net worth quintile.

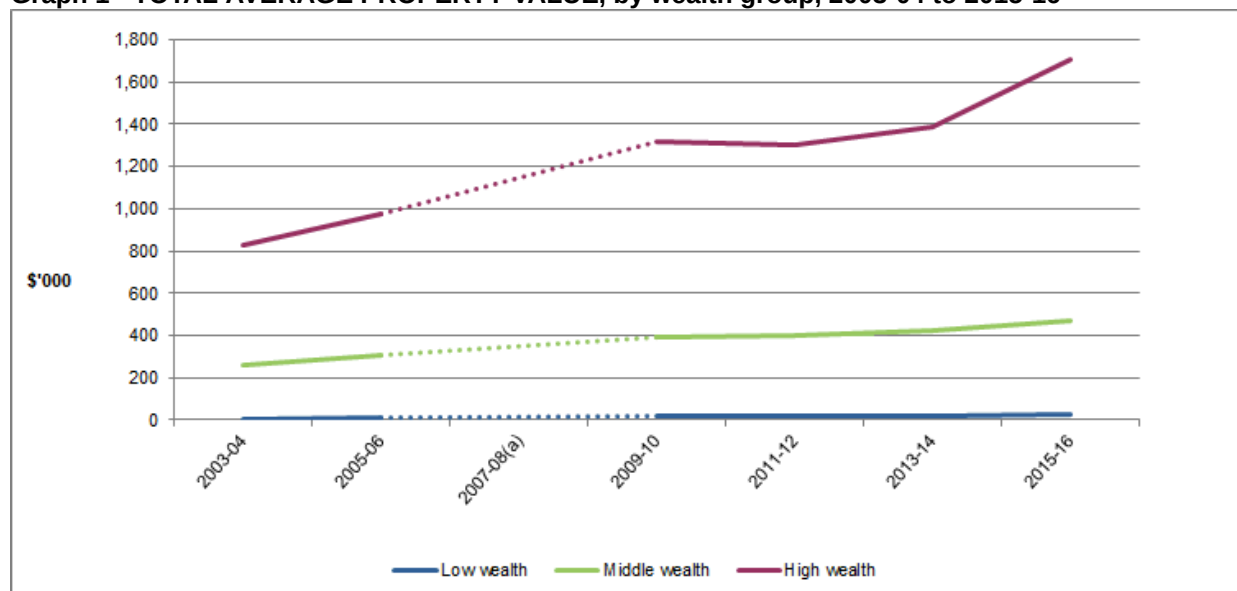
## CHANGES IN WEALTH OVER TIME

Middle and high wealth households have experienced a real increase in average net worth over the twelve years. Middle wealth households had an average net worth of \$528,400 in 2015–16 compared to \$401,000 in 2003–04 (adjusted for inflation). High wealth households increased in real terms from an average net worth of \$1.9 million in 2003–04 to \$3.0 million in 2015–16.

Low wealth households did not experience any real increase in net worth over this time period with the average net worth of \$36,500 in 2015–16 similar to 2003–04 (\$33,000).

One factor driving the increase in net wealth of high income households is the value of owner-occupied and other property. For high wealth households, average total property value increased by \$878,000 between 2003–04 and 2015–16 from \$829,200 to \$1.7 million. For middle wealth households average property values increased by \$211,200 (from \$258,000 to \$469,200). Low wealth households that owned property had much lower growth of \$5,600 to \$28,500 over the twelve years.

**Graph 1 - TOTAL AVERAGE PROPERTY VALUE, by wealth group, 2003–04 to 2015–16**



**Footnote(s):** (a) Comprehensive wealth data was not collected in 2007–08

**Source(s):** ABS Survey of Income and Housing, 2015–16

Between 2003–04 and 2015–16, average study loans for low wealth households almost tripled, from \$2,000 to \$5,800 (up 66%). For middle wealth households, the average study loan more than tripled, from \$900 to \$2,700 (up 66%). Study loans for high wealth households more than quadrupled from \$1,000 to \$4,400 (up 78%).

Average credit card debt increased for low, middle and high wealth households between 2003–04 and 2015–16. Both middle wealth and high wealth households reported an increase of 41% in credit card debt, over the period. Middle wealth households increased from \$1,900 to \$2,700 while high wealth households increased from \$2,500 to \$3,500. The average credit card debt for low wealth households increased by 25% over the same period from \$1,200 to \$1,500.

## About this Release

This publication features key information about household income and wealth from the Survey of Income and Housing 2015-16. Tables and commentary show the distribution of income and wealth across the population, over time and by various household characteristics (e.g. income and wealth quintiles, main source of income, wealth, household type, tenure and employment status).

## History of Changes

**This document was added or updated on 30/10/2017.**

**15/09/2020** - This release includes new content:

- Addition of a section and new data cube for Experimental Small Area Household Wealth Estimates.

**26/07/2018** - This release includes replacement content.

The following data cubes are revised to include estimates of Imputed Rent and Social Transfers in Kind, to correct some data cells for minor errors with private income which include imputed rent, and to correct some rounding errors.

- Household Income and Income Distribution, Australia, 2015-16 (Datacube 1)
- Equivalised Disposable Household Income Quintiles (Datacube 5)
- Gross Income Quintiles (Datacube 6)
- Main Source of Gross Household Income (Datacube 7)
- Net Worth Quintiles (Datacube 8)
- Contribution of Government Pensions and Allowances to Gross Household Income (Datacube 9)
- Tenure and Landlord Type (Datacube 10)
- Household Composition (Datacube 11)
- Age of Reference Person (Datacube 12)
- States and Territories (Datacube 16)
- Minor update to the Household Debt and Over-indebtedness Feature Article - Graph 2 - incorrect reference to household debt, was '83%' should be '79%'.

**08/12/2017** - This release includes new and replacement content:

- Addition of Housing Tenure into the Explanatory Notes (paragraph 57) to explain the change in 2015-16 from previous cycles in rent/buy (shared equity) arrangements.
- Addition of Shared Equity in the Glossary
- For Household Income and Income Distribution datacube, the inclusion of Income, Government Benefits and Taxes Table 1.5, containing Social Transfers in Kind as well as income including Imputed Rent
- For Income, Wealth and Debt datacube, the inclusion of Persons in Low Economic Resource Households data (by Selected characteristics) Table 3.6 and Low Economic Resource Households data (by Household assets and liabilities) Table 3.7
- For Equivalised Disposable Household Income Quintiles datacube, the inclusion of Imputed Rent data in Table 5.1; revised Mean Weekly Gross Household Income data and inclusion of Zero or Negative Income row under Main Source of Household Income in Table 5.4; and inclusion of Social Transfers in Kind as well as income including Imputed Rent data in Table 5.5
- For Child care datacube, the inclusion of Family Composition of Household employment data in Table 14.2 and full revision of data in Table 14.3 and 14.4

### ***New release Datacubes:***

- Gross Income Quintile
- Main Source of Gross Household Income
- Contribution of Government Pensions and Allowances to Gross Household Income
- Imputed Rent
- Superannuation of Persons

- States and Territories
- Household Income and Income Distribution datacube for each State and territory

**30/10/2017** - This release includes replacement content:

- Removal of duplicate footnote in Graph 4 of the Household Income and Wealth chapter.
- Back to top links in Spending Over Time chapter removed.
- Title and label in Graph 3 in Household Debt and Over-indebtedness in Australia updated.
- Missing link to Household Expenditure Survey fixed in Related Information.
- Replacement of number of persons in table 1.3 for 2015-16, number of persons in table 1.4 for 2015-16 and missing links to Summary and Explanatory Notes, in data cube Household Income and Income Distribution, Australia 2015-16.
- Footnote in table 2.4 in data cube Wealth Distribution, Australia, 2003-04 to 2015-16 corrected.
- Missing link to Summary and Explanatory Notes on contents page of data cube Household Economic Resources and Debt fixed.
- Missing footnote on tables 8.1, 8.2, 8.5 and 8.6 in Net Worth Quintiles data cube has been fixed.
- Fixing of formatting issue in Table 10.4 that had data in the incorrect line and zero values that should have been nya in table 10.5 of the Tenure and Landlord Type data cube have been fixed.
- Missing copyright link in table 12.4 and zero values that should have been nya in table 12.5 of the Age of Household Reference Person data cube have been fixed.
- Extra footnote in table 14.4 of the Child Care data cube has been removed.
- Missing links and footnotes added to Data Comparability Between SIH and Other ABS Sources data cube.

# Explanatory Notes

## Explanatory Notes

**This document was added or updated on 08/12/2017.**

### EXPLANATORY NOTES

#### INTRODUCTION

**1** This publication presents a summary of the findings from the 2015–16 Survey of Income and Housing (SIH). The survey collected detailed information about the income, wealth and household characteristics of persons aged 15 years and over in private dwellings throughout Australia (excluding very remote areas).

**2** The Household Expenditure Survey and Survey of Income and Housing, User Guide, Australia, 2015-16 (cat. no. 6503.0), here on referred to as the User Guide, will assist users to understand and utilise results from the SIH and the jointly collected Household Expenditure Survey. The User Guide will be available from October 2017.

**3** The SIH was conducted continuously from 1994–95 to 1997–98, and then in 1999–2000, 2000–01 and 2002–03. From 2003–04 the SIH has been conducted every two years. The 2015-16 SIH collected information from a sample of 17,768 households over the period July 2015 to June 2016.

**4** Previous surveys of household income were conducted by the Australian Bureau of Statistics (ABS) in 1979, 1982, 1986 and 1990. These surveys were generally conducted over a two-month period, compared to a twelve-month period for the SIH. The SIH also included improvements to the survey weighting and estimation procedures, changes to the scope and coverage of household income and changes to interviewing methods from 1994-95 onwards.

**5** In 2003–04 and 2009–10 the SIH was integrated with the Household Expenditure Survey (HES). In 2015–16, the SIH was again integrated with the HES. In 2005–06, 2007–08, 2011–12 and 2013–14, the SIH was run as a stand-alone survey.

## CHANGES IN THIS ISSUE

**6** Key changes in 2015–16 compared with 2013–14 include:

- the item identifying carers which was added in 2013-14 was not collected in 2015-16;
- the microediting of income from government payments has been improved in terms of accuracy. The ABS has introduced an eligibility-based model designed by the Department of Social Services. This model produces a value for every person aged 15 years or over for all government payments and allowances that are collected in the survey. The modelled amount is then compared to the reported government payment values to identify and edit values that are significantly higher than the maximum amount eligible, to impute missing values and to impute values for payments which are consequential on the basis of reported payments (e.g. a value for Utilities Allowance is allocated to all recipients of Partner Allowance, even those who did not separately report it). All other government payments' values remain as reported. Some payment values are entirely modelled based on eligibility as in previous cycles of SIH. More information about the new model will be available in the User Guide. Microdata products (e.g. the Basic CURF) will include both the reported and modelled values for comparison (except where the reported payment values were out of the possible range or missing).

## Confidentiality

**7** To protect the confidentiality of individuals, a technique called perturbation is used to randomly adjust cell values. Perturbation involves small random adjustment of the statistics and is considered the most satisfactory technique for avoiding the release of identifiable statistics while maximising the range of information that can be released. These adjustments have a negligible impact on the underlying pattern of the statistics.

**8** After perturbation, a given published cell value will generally be consistent across all tables. However, adding up cell values to derive a total will not necessarily give the same result as published totals.

**9** The introduction of perturbation in publications ensures that these statistics are consistent with statistics released via services such as Table Builder.

## CONCEPTS AND DEFINITIONS

**10** The concepts and definitions relating to income statistics are described in the following section of this publication. Other definitions are included in the 'Glossary' section of this publication.

### Person and household data

**11** Income is a major determinant of economic wellbeing for most people and households. While income is usually received by individuals, it is normally shared between partners in a couple relationship and, often, with dependent children. To a lesser extent, it may be shared with other children, other relatives and possibly other people living in the same household, for example through the provision of free or reduced accommodation costs. Even when there is no transfer of income between members of a household, and no provision of free or reduced accommodation costs, household members are still likely to benefit from some economies of scale that arise from sharing dwellings.

**12** Income and wealth have a collective effect at the household level. As a result, households are the main unit of analysis in this publication. However, it is the number of people who belong to households with particular characteristics, rather than the number of households with those characteristics, that is of primary interest in measuring income distribution and leads to the preference for the equal representation of those persons in such analysis. For example, if the person is used as the unit of analysis rather than the household, then the representation in the income distribution of each person in a household comprising four persons is the same as that for each person in a two person household. In contrast, if the household were to be used as the unit of analysis, each person in the four person household would only have half the representation of each person in the two person household.

**13** In this publication, the income distribution measures are all calculated with respect to persons, including children. Such measures are sometimes known as person weighted estimates. They are described in more detail in the User Guide. Nevertheless, as most of the relevant characteristics of persons relate to their household circumstances, data cubes available from the 'Downloads' tab of this publication primarily describe the households to which people belong.

### Income

**14** Household income consists of all current receipts, whether monetary or in kind, that are received by the

household or by individual members of the household, and which are available for, or intended to support, current consumption.

**15** Income includes receipts from:

- employee income (whether from an employer or own incorporated enterprise), including wages and salaries, salary sacrificed income, non-cash benefits, bonuses and termination payments;
- government pensions and allowances;
- profit/loss from own unincorporated business (including partnerships);
- net investment income (interest, rent, dividends, royalties); and
- private transfers (e.g. superannuation, workers' compensation, income from annuities, child support, and financial support received from family members not living in the same household).

**16** Receipts of Family Tax Benefit are treated as income, regardless of whether they are received fortnightly or as a lump sum. The Newborn Supplement and Newborn Upfront Payment replaced the Baby Bonus on 1 March 2014 and those eligible receive it as part of their Family Tax Benefit Part A payments for a period of 13 weeks or with their lump sum. The Paid Parental Leave payment has also been included as income.

**17** The Energy Supplement is included in income from government pensions or allowances. This tax-exempt, indexed payment is paid to pensioners, other income support recipients, families receiving Family Tax Benefit payments and Commonwealth Seniors Health Card holders, provided they meet eligibility requirements.

**18** The twice-yearly Schoolkids bonus payment that was paid to eligible families, carers and students from January 2013 to July 2016 has been included in income from government pensions and allowances. This payment, paid in January and July, was made payable to families receiving Family Tax Benefit Part A. Young people enrolled in school who were receiving Youth Allowance and other specific income support or receiving an education allowance from Department of Veteran's Affairs are also entitled to this payment, providing that they meet the age and education requirements.

## **Income measures**

**19** In 2007–08, the ABS revised its standards for household income statistics following the adoption of new international standards in 2004 and review of aspects of the collection and dissemination of income data. The income estimates from 2007–08 onwards apply the new income standards, and are not directly comparable with estimates for previous cycles. The change in income level in 2007–08 is partly due to the change in methods but also partly due to real change in income. To the extent possible, the estimates for 2003–04 and 2005–06 shown in the time series tables also reflect the new treatments.

**20** For more detail on the nature and impact of the changes on the income data see Appendix 4 of Household Income and Income Distribution, Australia, 2007-08 (cat. no. 6523.0).

## **Gross income**

**21** Gross income is the sum of income from all sources before income tax and the Medicare levy have been deducted.

## **Disposable income**

**22** Disposable income better represents the economic resources available to meet the needs of households. It is derived by deducting estimates of personal income tax and the Medicare levy from gross income. Medicare levy surcharge was also calculated and deducted from gross income while calculating disposable income (as it was for the first time in 2007–08).

**23** Income tax liability is estimated for all households using taxation criteria for the relevant financial year and the income and other characteristics of household members reported in the survey (such as private health insurance fund membership).

**24** Prior to 2005–06 the derivation of disposable income also included the addition of Family Tax Benefit (FTB) paid through the tax system or as a lump sum by Centrelink. For practical reasons it was not included in the gross income estimates. From 2005-06 to 2013-14, FTB amounts were modelled for some households where amounts were not reported by the respondents. These amounts are not included in gross or disposable income in 2015-16. The introduction of a new model for micro-editing government payments includes modelling of FTB values. These have been utilised where the reported amount was missing, significantly above the maximum eligible amount or where other payments, related to FTB, were reported by survey respondents, such as single parents with children under 8 years who receive Parenting Payment. More information about the effect of this change will be available in the User Guide.

## **Equivalised disposable income**

**25** Most analyses in this publication use equivalised disposable household income rather than gross or disposable income. Using an equivalising factor for household income enables the direct comparison of the relative economic wellbeing of households of different size and composition (for example, lone person households, families and group households of unrelated individuals).

**26** Equivalised disposable household income is calculated by adjusting disposable income by the application of an equivalence scale. The scale is based on the principle that larger households require a higher level of income to achieve the same standard of living as a smaller household. However, there are economies of scale, so each additional person does not equally add to the income needed to support household consumption.

**27** Whereas disposable income includes negative values, these are adjusted to zero for the purpose of equivalised disposable household income.

**28** After household income is adjusted according to an equivalence scale, the equivalised income can be viewed as an indicator of the economic resources available to a standardised household. For a lone person household, it is equal to income received. For a household comprising more than one person, equivalised income is an indicator of the household income that would be required by a lone person household in order to enjoy the same level of economic wellbeing as the household in question.

**29** For more information on equivalised income, see the User Guide.

## **Lowest income decile**

**30** Throughout the next few paragraphs, the terms quintile, decile and percentile are used. If a distribution, such as household income, is put in order from lowest to highest, and then divided into 100 equal groups, each group is a percentile. Ten percentiles make up a decile (ten equal groups) and twenty percentiles make up a quintile.

**31** Equivalised income generally provides a useful indicator of economic wellbeing. However, some households report extremely low and even negative income in the survey, which places them well below the safety net of income support provided by government pensions and allowances. Households may under report their incomes in the survey at all income levels, including low income households. Households may also correctly report low levels of income if they have incurred losses in their unincorporated business or have negative returns from other investments.

**32** Studies of income and expenditure reported in HES surveys have shown that such households in the bottom income decile and with negative gross incomes tend to have expenditure levels that are comparable to those of households with higher income levels (and slightly above the average expenditures recorded for the fifth income decile). This suggests that these households have access to economic resources such as wealth, or that the instance of low or negative income is temporary, perhaps reflecting business or investment start up. Other households in the lowest income decile in past surveys had average incomes at about the level of the single pension rate, were predominantly single person households, and their main source of income was largely government pensions and allowances. However, on average, these households also had expenditures above the average of the households in the second income decile, which is not inconsistent with the use of assets to maintain a higher standard of living than implied by their incomes alone.

**33** Other households in the lowest income decile in past surveys

- had average incomes at about the level of the single pension rate;
- were predominantly single person households; and
- their main source of income was largely government pensions and allowances.

However, on average, these households also had expenditures above the average of the households in the second income decile, which may be because these households are using assets to maintain a higher standard of living than their income alone could allow.

**34** Some of the households included in the lowest income decile are unlikely to be suffering extremely low levels of economic wellbeing. Income distribution analysis may lead to inappropriate conclusions if such households are used as the basis for assessing low levels of economic wellbeing.

**35** For this reason, in previous surveys, tables showing statistics classified by income quintiles included a supplementary category comprising the second and third income deciles, which were used as an alternative to the lowest income quintile.

**36** More recent analysis suggests that this approach may have over-estimated the economic wellbeing of low income households, and unnecessarily excluded some of the most vulnerable households in the lowest income decile. The 2015–16 SIH uses the adjusted lowest income quintile that was introduced for the 2013-14 SIH cycle. The adjusted lowest income quintile is made up of the lowest two deciles, excluding the first and second percentiles, and has been calculated for previous cycles to create a time series of these data, available from the 'Downloads' tab of this publication.

### **Current income**

**37** Income is collected using a number of different reporting periods. The reporting period is the whole financial year for own unincorporated business and investment income. In contrast, for wages and salaries, other sources of private income and government pensions and allowances, the reporting period is the most recent or usual payment, close to the time of interview. The income reported is divided by the number of weeks in the reporting period. Estimates of weekly income in this publication do not therefore refer to a given week within the reference period of the survey.

### **Annual income**

**38** The tables in the main body of this publication refer to 'current' weekly income, that is, income being received at the time the data were collected from respondents. The survey also produces measures of 'annual' income that reflect total incomes for the previous financial year. Previous financial year information for most income sources will not be collected in future SIH cycles. The User Guide explains how current income differs from annual income, notes some of the advantages and disadvantages of the two types of measure and presents some 'annual' income estimates.

### **Imputed rent**

**39** Imputed rent is an estimate of the amount of money that owner occupiers would have spent on housing if they were renting. The ABS estimates imputed rent to be able to compare household characteristics such as income across tenure types (owners, renters, non-market renters). Imputed rent may be understood as an adjustment to the income which takes into account the savings made by owning the household home or renting it at a subsidised rate.

**40** Gross imputed rent is an estimate of how much it would cost to rent the household home.

**41** Net imputed rent is gross imputed rent with housing costs (such as repairs and insurance) deducted, as these costs are incurred by owner occupiers, but generally not incurred by market renters.

**42** The ABS implemented an experimental methodology for estimating gross imputed rent for household level estimates in the 2013–14 SIH, which will be finalised for the 2015-16 estimates. Although the methodology for deriving net imputed rent will not change, the net imputed rent estimates are impacted by the change in gross imputed rent estimates.

**43** Imputed rent estimates for the 2015–16 SIH will be available in a secondary release later in 2017.

**44** Imputed rent is included in income on a net basis.

### **Child care payments**

**45** Childcare subsidies assist families with dependent children with the costs of childcare. Two subsidies are collected and modelled in the 2015–16 SIH. These are the Child Care Benefit and Child Care Rebate.

**46** Child Care Benefit (CCB) is a payment from the Australian Government that assists families with the costs of registered or approved child care. The scheme is means-tested and allocates an hourly amount that can either be provided to child care consumers after child care has been paid, or directly paid to child care providers, thereby reducing the upfront child care fees payable by the consumer.

**47** Child Care Rebate (CCR) is also an Australian Government payment that, like CCB, assists families with the cost of child care. Each childcare consumer is entitled to CCR, which is 50% of their net childcare costs. That is, a childcare consumer is entitled to 50% of their childcare costs after CCB has been deducted from the cost if they receive it, or else 50% of the whole cost. CCR payments accrue up to a per child, per year limit (\$7,500 per child per year in 2015–16). CCR, like CCB, may be paid either to the consumer in a lump sum or directly to childcare providers, thereby further reducing the upfront cost of childcare.

**48** Estimates of CCB and CCR are collected from the child care questions, however there has been a substantial gap between the reported number of households receiving childcare subsidies and the total value of that assistance, compared to administrative records. CCB and CCR have been modelled to improve the accuracy of

estimates of these payments. The output data is made up of both reported and modelled data. Child care assistance is conceptually treated as social transfers in kind, including administrative overhead as part of the value of the transfer.

## **Social transfers in kind**

**49** Social transfers in kind consist of goods and services provided free or at subsidised prices by the government. The allocation of social transfers in kind presented in this publication is restricted to government expenditure that is relatable to particular types of households. Information reported in the 2015–16 SIH and HES was used as the basis for allocating social transfers in kind for the provision of education, health, housing, child care, electricity concessions and other social security and welfare services.

**50** The total value of social transfers in kind was defined as Commonwealth, state or territory and local government expenses, net of intra-government transfers, minus government pensions and allowances paid in cash minus government revenue from the sale of goods and services.

**51** The User Guide provides estimates of social transfers in kind and outlines the methodologies used to allocate the social transfers in kind to individual households in 2015–16.

## **Net worth**

**52** Net worth, often referred to as wealth, is the value of a household's assets less the value of its liabilities. Assets can take many forms including:

- produced tangible fixed assets that are used repeatedly and for more than one year, such as dwellings and their contents, vehicles, and machinery and equipment used in businesses owned by households;
- intangible fixed assets such as computer software and artistic originals;
- business inventories of goods;
- non-produced assets such as land; and
- financial assets such as bank deposits, shares, superannuation account balances, and the outstanding value of loans made to other households or businesses.

**53** Liabilities are primarily the value of loans outstanding including:

- credit card debt;
- mortgages;
- investment loans;
- borrowings from other households; and
- debt on other loans such as personal loans to purchase vehicles, and study loans.

**54** In the 2015–16 SIH, some asset and liability data were collected on a net basis rather than collecting for each component listed above. In particular, if a survey respondent owned or part owned a business, they were asked how much they would receive if they sold their share of the business and paid off any outstanding debts.

## **Metropolitan Accessibility/Remoteness Index of Australia (Metro ARIA)**

**55** The Metropolitan Accessibility/Remoteness Index of Australia (Metro ARIA) is a geographic index which quantifies service accessibility within metropolitan areas. The index reflects the ease or difficulty people face accessing basic services within metropolitan areas, derived from the measurement of road distances people travel to reach different services, and covers five different service themes:

- education;
- health;
- shopping;
- public transport; and
- financial/postal services.

**56** Metro ARIA covers 2011 Greater Capital City Statistical Area (GCCSA) by 2011 Statistical Area 1. Areas outside GCCSAs are defined as non-metropolitan. Non-metropolitan should not be interpreted as lower accessibility; it is simply that the region is located outside the capture area detailed Metro ARIA. Further information regarding Metro ARIA and maps can be found via the following link: <https://aurin.org.au/projects/data-hubs/metro-aria/>

## **Housing tenure**



**57** Changes were made to ABS housing standards in 2015-16, aimed at better reflecting current housing tenure arrangements. Rent/buy arrangements are no longer prevalent and the collection of shared equity arrangements has been updated as a result. Rent/buy arrangements are a type of shared equity scheme where equity is purchased for part of the property and rent payments are made on the remainder. Current shared equity arrangements available to prospective home owners typically involve no rent component. For previous SIH cycles there is double reporting of repayments for shared equity respondents.

Users should note that rent-to-buy schemes, where a potential buyer agrees to rent a property for a specified period of time with an option to buy the dwelling after this lease period has lapsed, are considered as renters in SIH.

## **SURVEY METHODOLOGY**

### **Scope**

**58** The survey collects information by personal interview from usual residents of private dwellings in urban and rural areas of Australia (excluding very remote areas), covering about 97% of the people living in Australia. Private dwellings are houses, flats, home units, caravans, garages, tents and other structures that were used as places of residence at the time of interview. Long-stay caravan parks are also included. These are distinct from non-private dwellings which include hotels, boarding schools, boarding houses and institutions. Residents of non-private dwellings are excluded.

**59** 'Usual residents' excludes:

- households which contain members of non-Australian defence forces stationed in Australia;
- households which contain diplomatic personnel of overseas governments; and
- households in areas defined as very remote - this has only a minor impact on aggregate estimates, except in the Northern Territory where such households account for about 22% of the population.

### **Data collection**

**60** Information for each household was collected using:

- a household level computer assisted interview questionnaire which collected information on household characteristics; and
- an individual level computer assisted interview questionnaire which collected information on income, wealth, childcare costs and other personal characteristics from each usual resident aged 15 years and over;
- for the sub-sample of households that were jointly selected for the HES, extra questions were asked in the interview, and respondents also completed a diary listing all expenditure for two weeks. For more information about the HES, see cat. no. 6530.0 or the User Guide.

Sample copies of the above collection tools are included in the User Guide (cat. no. 6503.0).

### **Sample design**

**61** The sample was designed to produce reliable estimates for broad aggregates for households resident in private dwellings aggregated for Australia, for each state and for the capital cities in each state and territory. More detailed estimates should be used with caution, especially for Tasmania, the Northern Territory and the Australian Capital Territory.

**62** For the 2015-16 SIH, dwellings were selected through a stratified, multistage cluster design from the private dwelling framework of the ABS Population Survey Master Sample. Selections were distributed across a twelve month enumeration period so that the survey results are representative of income patterns across the year.

**63** For the 2015-16 SIH there was an additional sample of households in Greater Capital City areas, designed to collect information specifically from households whose main source of income was government pensions, benefits and/or allowances. These households were enumerated using a separate sample design, and received the combined SIH and HES questionnaire. Dwellings for the additional pensioner sample were also selected using a stratified, multistage cluster design from the ABS Population Survey Master Sample in capital cities. A short screening questionnaire was used to identify households who were likely to report a main source of income was from government pensions, benefits or allowances. From this additional sub-sample, one in four of the selected dwellings completed HES and SIH surveys, regardless of the result of the screening questionnaire.

Information from this sample were used to assess the outcomes from the screening questionnaire for the whole sub-sample.

### Non-responding households

**64** Of the selected dwellings there were 29,815 households in the scope of the survey. Of this initial sample, 4,883 dwellings (16%) were excluded as no contact was able to be made (e.g, vacant dwelling, holiday homes). A further 7,164 (24%) did not respond at all to the questionnaire, or did not respond adequately. Most of these were not able to take part in the survey during the collection period. The remainder were:

- households affected by death or illness of a household member;
- households which did not respond because due to communication barriers or because they refused to participate (7.6% of all contacted households).

**65** 126 households were excluded because the main income earners in the household did not adequately respond to questions about income sources and amounts. 229 households that were collected as part of the HES sample (see cat. no. 6530.0) but did not have sufficient expenditure diary information were retained as part of the SIH sample.

### Partial response and imputation

**66** 388 partially responding households were retained in the final sample after full record imputation of person(s) in the household who were not the main income earners. For these households, any missing values were imputed by replacing each missing value with a value reported by another person (referred to as the donor).

**67** Partial imputation is completed for all households with missing data items. Donor records are selected by finding fully responding persons with matching information on various characteristics (such as state, sex, age, labour force status and income) as the person with missing information. As far as possible, the imputed information is an appropriate proxy for the information that is missing. Depending on which values are to be imputed, donors are randomly chosen from the pool of individual records with complete information for the block of questions where the missing information occurs.

**68** The final SIH sample includes 5,117 households (29% of households) and 8,079 person records (24% of persons aged 15 years or over) which had at least one imputed value. Of all the relevant items (continuous variables), 3.5% of values were imputed. This is slightly lower than in SIH 2013-14 (3.9%) and slightly higher than in the last SIH cycle where HES was jointly collected (2.6%). 244 full records were imputed (0.5% of all SIH person level records).

### Final sample

**69** Of the selected dwellings (24,932) that were contacted and in scope of the survey, 17,768 (71%) households were included as part of the final estimates.

### 70 Survey of Income and Housing, Final sample, 2015–16

**SIH FINAL SAMPLE, 2015–16**

	GREATER CAPITAL CITY		REST OF STATE		TOTAL	
	Households no.	Persons (a) no.	Households no.	Persons (a) no.	Households no.	Persons (a) no.
NSW	2 212	4 357	910	1 718	3 122	6 075
Vic.	2 526	5 023	1 119	2 053	3 645	7 076
Qld	1 505	2 924	1 153	2 189	2 658	5 113
SA	1 675	3 167	1 105	1 990	2 780	5 157
WA	1 427	2 825	1 088	2 027	2 515	4 852
Tas.	709	1 279	1 104	1 976	1 813	3 255
NT	418	805	83	146	501	951
ACT	734	1 489	-	-	734	1 489
Aust.	11 206	21 869	6 562	12 099	17 768	33 968

- nil or rounded to zero (including null cells)

(a) Number of persons aged 15 years and over

**71** The SIH sample is not evenly balanced over the course of the year. Due to under-performance of the sample design in the first half of the collection year, a top-up sample was selected and collected from January - July 2016. The fully responding households by quarter are provided in the table below. Weights adjust by quarter to ensure representativeness across the year.

## BALANCE OF FULLY RESPONDING HOUSEHOLDS, 2015-16 collection year

	July-December 2015	January-July 2016	Full Collection Period	July-December 2015	January-July 2016	Full Collection Period
	no.	no.	no.	%	%	%
NSW	1 276	1 846	3 122	40.9	59.1	100.0
Vic.	1 622	2 023	3 645	44.5	55.5	100.0
Qld	1 105	1 553	2 658	41.6	58.4	100.0
SA	1 246	1 534	2 780	44.8	55.2	100.0
WA	966	1 549	2 515	38.4	61.6	100.0
Tas.	858	955	1 813	47.3	52.7	100.0
NT	227	274	501	45.3	54.7	100.0
ACT	316	418	734	43.1	56.9	100.0
Aust.	7 616	10 152	17 768	42.9	57.1	100.0

### Weighting

**72** Weighting is the process of adjusting results from a sample survey to infer results for the total in scope population whether that be persons or households. To do this, a weight is allocated to each sample unit (e.g. a person or a household). The weight is a value which indicates how many population units are represented by the sample unit. The first step in calculating weights for each unit is to assign an initial weight, which is the inverse of the probability of being selected in the survey. For example, if the probability of a household being selected in the survey was 1 in 600, then the household would have an initial weight of 600 (that is, it represents 600 households). The initial weights are then calibrated to align with independent estimates of the population of interest, referred to as benchmarks. Weights calibrated against population benchmarks ensure that the survey estimates conform to the independently estimated distribution of the population rather than to the distribution within the sample itself.

**73** Most of the independent person and household benchmarks are based on demography estimates of numbers of persons and households in Australia. The benchmarks are adjusted to include persons and households residing in private dwellings only and to exclude persons living in very remote areas, and therefore do not, and are not intended to, match estimates of the Australian resident population published in other ABS publications. The demography estimates of persons (estimated resident population - ERP) and households used in SIH 2015–16 are built up from the 2011 Census.

**74** In the 2015–16 SIH, as in 2007–08, 2009–10 and 2011–12 and 2013–14, all persons in each household were assigned a weight. This differs from the 2005–06 SIH where children aged 0–14 years were not given separate weights, but household counts of the number of children were benchmarked to population totals.

**75** As in 2009-10, an additional sample was used to provide detailed income and expenditure information for households where the main source of income is government pensions, benefits and allowances. The additional households completed the full SIH questionnaire and contribute to the published SIH estimates. The pensioner sample is incorporated using a pooled estimation approach. This differs from the method used in 2009-10, where the base HES and additional pensioner samples were combined using composite estimation after weighting each component separately.

**76** The benchmarks used in the calibration of the final weights for the 2015–16 SIH were:

- number of persons -
  - by state or territory by age by sex
    - in five year age groups up to 80+ years for all states and territories (excluding NT)
    - in five year age groups up to 70+ years for the NT
  - by state or territory by labour force status ('Employed', 'Unemployed' and 'Not in the labour force') (except NT which does not use labour force status)
- numbers of households -
  - by state, by indexation quarter by capital city/balance of state (except NT and ACT which only use state)
  - by state, by household composition (number of adults (1, 2 or 3+) and whether or not the household contains children) (except NT which only uses whether or not the household contains children)
- value of government benefit cash transfers -
  - including age pension, family tax benefit, disability support pension, newstart, parenting payments, carer payment, Commonwealth rent assistance, youth allowance, carer allowance, paid parental leave, school kids bonus, Austudy/Abstudy, carer supplement, widow allowance, wife pension, sickness allowance, partner allowance, special benefit, utilities allowance, pension supplement.

## Estimation

**77** Estimates produced from the survey are usually in the form of averages (e.g. average weekly income of couple households with dependent children), or counts (e.g. total number of households that own their dwelling or total number of persons living in households that own their own dwelling). For counts of households, the estimate was obtained by summing the weights for the responding households in the required group (e.g. those owning their own dwelling). For counts of persons, the household weights were multiplied by the number of persons in the household before summing. The SIH collects data on the number of people, including children, in each household but separate records with income and most detailed data were only collected for people 15 years and older.

**78** Average income values are obtained in two different ways, depending on whether mean gross household income or mean equivalised disposable household income is being derived. Estimates of mean gross household income are calculated on a household weighted basis. They are obtained by multiplying the gross income of each household by the weight of the household, summing across all households and then dividing by the estimated number of households. For example, the mean gross household income of couple households with dependent children is the weighted sum of the gross income of each such household divided by the estimated number of those households.

**79** Estimates of mean equivalised disposable household income are calculated on a person weighted basis. They are obtained by multiplying the equivalised disposable income of each household by the number of people in the household (including children) and by the weight of the household, summing across all households and then dividing by the estimated number of people in the population group. The User Guide illustrates the differences between mean gross household income calculated on a household weighted basis and mean equivalised disposable household income calculated on a person weighted basis.

## RELIABILITY OF ESTIMATES

**80** The estimates provided in this publication are subject to two types of error, non-sampling and sampling error.

### Non-sampling error

**81** Non-sampling error can occur in any collection, whether the estimates are derived from a sample or from a complete collection such as a census. Sources of non-sampling error include non-response, errors in reporting by respondents or recording of answers by interviewers and errors in coding and processing the data.

**82** Non-sampling errors are difficult to quantify in any collection. However, every effort is made to reduce non-sampling error to a minimum by careful design and testing of the questionnaire, training of interviewers and data entry staff and editing and quality control procedures during data processing.

**83** One of the main sources of non-sampling error is non-response by persons selected in the survey. Non-response occurs when people cannot or will not cooperate or cannot be contacted. Non-response can affect the reliability of results and can introduce a bias. The magnitude of any bias depends upon the level of non-response and the extent of the difference between the characteristics of those people who responded to the survey and those who did not.

**84** The following methods were adopted to reduce the level and impact of non-response:

- Primary Approach Letters (PALs) were posted to selected SIH households prior to enumeration;
- document cards were provided to respondents to suggest having financial statements and similar documents handy at the time of interview to assist with accurate responses;
- face-to-face interviews with respondents;
- the use of interviewers who could speak languages other than English, where necessary;
- Proxy Interviews conducted when consent is given, with a responsible person answering on behalf of a respondent incapable of doing so themselves;
- follow-up of respondents if there was initially no response;
- imputation of missing values; and
- ensuring that the weighted data is representative of the population (in terms of demographic characteristics) by aligning the estimates with population benchmarks.

### Sampling error

**85** The estimates are based on a sample of possible observations and are subject to sampling variability. The

estimates may therefore differ from the figures that would have been produced if information had been collected for all households. A measure of the sampling error for a given estimate is provided by the standard error, which may be expressed as a percentage of the estimate (relative standard error). Further information on sampling error is given in the User Guide.

## **ACKNOWLEDGMENT**

**86** ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the Census and Statistics Act 1905.

## **SPECIAL DATA SERVICES**

**87** The ABS offers specialist consultancy services to assist clients with more complex statistical information needs. Clients may wish to have the unit record data analysed according to their own needs, or require tailored tables incorporating data items and populations as requested by them. Tables and other analytical outputs can be made available electronically or in printed form. However, as the level of detail or disaggregation increases with detailed requests, the number of contributors to data cells decreases. This may result in some requested information not being able to be released due to confidentiality or sampling variability constraints. All specialist consultancy services attract a service charge, and clients will be provided with a quote before information is supplied.

**88** If the information you require is not available from the publication or the data cubes, please contact the National Information and Referral Service (NIRS) on 1300 135 070, (international callers +61 2 9268 4909) or via email <client.services@abs.gov.au>. The NIRS can be contacted from anywhere in Australia between 8:30am and 5:00pm (AEST) Monday to Friday. The ABS Privacy Policy ([www.abs.gov.au/privacy](http://www.abs.gov.au/privacy)) outlines how the ABS will handle any personal information that you provide to us.

## **UNIT RECORD FILE**

**89** A basic confidentialised unit record file (CURF) from the 2015–16 SIH will be released on CD-ROM in late 2017. All clients wishing to access microdata from the SIH should visit the How to Apply for Microdata web page. Clients should familiarise themselves with the User Manual: Responsible Use of ABS CURFs and other related microdata information which are available via the Microdata web pages, before applying for access through MiCRO.

### **Australian universities**

**90** The ABS/Universities Australia Agreement provides participating universities with access to a range of ABS products and services. This includes access to CURF data. For further information, university clients should refer to the ABS/Universities Australia Agreement web page.

### **Other clients**

**91** The Microdata Entry page on the ABS website contains links to microdata related information to assist users to understand and access microdata. For further information users should contact the microdata access team by email: [microdata.access@abs.gov.au](mailto:microdata.access@abs.gov.au) or telephone (02) 6252 7714.

## **USER GUIDE**

**92** The User Guide (cat. no. 6503.0) includes information about the purpose of the survey, the concepts and contents, and the methods and procedures used to collect the data and derive the estimates. It also outlines the differences between the 2015–16 survey and earlier SIH surveys. Its purpose is to help users of the data understand the nature of the survey, and its potential to meet user needs. It also contains information for users of the SIH confidentialised unit record files (CURFs). The 2015–16 User Guide is expected to be released in October 2017.

## **Glossary**

## GLOSSARY

### **Accounts with financial institutions**

Accounts held with banks or any other financial institutions, e.g. credit unions, building societies, insurance companies, finance companies. Examples of types of accounts include: passbook, statement, cheque or term deposit accounts.

### **Acute care institution benefits**

Includes social transfers in kind relating to all activities of acute care hospitals, free-standing hospices, alcohol and drug treatment centres, and same-day establishments except activities involving health research and formal health education. Acute care institution benefits are a component of health benefits.

### **Age**

Person's age in years last birthday.

### **Age pension**

Households that receive income from age pensions or Department of Veterans' Affairs (DVA) service pension, as well as additional cash allowances such as rent assistance. Age pensions are a component of social assistance benefits in cash.

### **Allocated pensions**

Allocated pensions (also known as account-based pensions) are a regular income stream paid by superannuation funds. The value of the pension is calculated based on the amount of money accumulated in people's superannuation accounts and varies depending on the investment earnings of the fund.

### **Annuities**

Annuities are guaranteed regular and recurring receipts, generally from an insurance company, the right to which was purchased with a lump sum or regular contributions at some point in the past.

### **Assets**

An entity of a financial or non-financial nature, owned by the household or its members, and from which economic benefits may be derived by holding or use over a period of time.

### **Australian Statistical Geography Standard (ASGS)**

The ASGS came into effect in July 2011 to replace the Australian Statistical Geographical Classification (ASGC). The ASGS provides a common framework of statistical geography used by the ABS to enable the publication of statistics that are comparable and spatially integrated. Its purpose is to outline the conceptual basis of Mesh Blocks, the regions of the main structure and the Greater Capital City Statistical Areas and their relationships to each other. For further information refer to Australian Statistical Geography Standard (ASGS): Volume 1 - Main Structure and Greater Capital City Statistical Areas, July 2011 (cat. no. 1270.0.55.001) and <<https://www.abs.gov.au/geography>>.

### **Australian Standard Geographical Classification (ASGC)**

The ASGC was replaced by the Australian Statistical Geography Standard (ASGS) in July 2011. For further information refer to Australian Standard Geographical Classification (ASGC) (cat. no. 1216.0) and <<https://www.abs.gov.au/geography>>.

### **Balance of State**

Under the Australian Standard Geographical Classification (ASGC), Balance of State represents each state or territory not defined as Capital City. The ASGC has been replaced with Australian Statistical Geography Standard (ASGS), and areas outside Greater Capital City Statistical Areas are known as Rest of State. See definition of Rest of State.

### **Before and/or after school care**

A type of formal child care provided for school aged children before and/or after school during the school term. Some services also provide care on 'pupil free days'. The services usually make use of established facilities such as schools, community halls, and recreation centres.

### **Body corporate fees**

Compulsory payments to the governing body of a block of home units or apartments. The governing body consists of home unit owners or their representatives.

**Bond**

In the context of *investments*, a bond is a certificate of ownership of a specified portion of a debt. May be issued by a government agency or private corporation to individuals or companies and usually bears a fixed interest rate of return on investment. In the context of rented dwellings, bond is money paid in addition to any rent by a new tenant as surety against damages to the premises rented.

**Canadian National Occupancy Standard (CNOS) for housing appropriateness**

A standard measure of housing utilisation that is sensitive to both household size and composition. Based on the following criteria used to assess bedroom requirements, households requiring at least one additional bedroom are considered to be overcrowded:

- there should be no more than two persons per bedroom
- a household of one unattached individual may reasonably occupy a bed-sit (i.e. have no bedroom)
- couples and parents should have a separate bedroom
- children less than five years of age, of different sexes, may reasonably share a room
- children five years of age or over, of different sexes, should not share a bedroom
- children less than 18 years of age and of the same sex may reasonably share a bedroom, and
- single household members aged 18 years or over should have a separate bedroom.

The CNOS variable on the file compares the number of bedrooms required with the actual number of bedrooms in the dwelling.

**Capital city**

Capital city under the Australian Standard Geographical Classification (ASGC) refers to Australia's six State capital city Statistical Divisions and the Darwin Statistical Division as defined in the Australian Standard Geographical Classification (ASGC) (cat. no. 1216.0). For the Australian Capital Territory the estimates relate predominantly to urban areas, and all of the Australian Capital Territory is defined as a capital city for this publication. Capital city estimates for the Northern Territory are not available on the CURF. The ASGC has been replaced with Australian Statistical Geography Standard (ASGS), see definition of Greater Capital City Statistical Area.

**Changeover buyer**

A household which bought their dwelling in the three years prior to being interviewed, and either the reference person or partner had owned or been purchasing a home previously.

**Child care assistance**

Includes social transfers in kind relating to the Child Care Benefit and Child Care Rebate and associated administrative costs. Child care assistance is a component of welfare benefits.

**Child Care Benefit (CCB)**

Assistance in the form of a payment made by the Australian Government to help with the costs of child care for families who use either approved or registered child care. The scheme is means-tested and families can either receive CCB as a lump sum payment, or as reduced child care fees.

**Child Care Rebate (CCR)**

Child Care Rebate (CCR) covers 50 per cent of out-of-pocket child-care expenses, up to a maximum amount per child per year. The CCR is available for families who qualify for Child Care Benefit (CCB) and meet a work, study and training test.

**Children's assets**

Any assets owned by children, aged 14 years or less, in the household that are not included in the value of the household contents. These assets can be financial (e.g. a child's bank accounts, assets held in trusts, bonds, debenture stock) or can be non-financial (e.g. jewellery or property held in trust for the children). Children's assets is no longer collected separately in the SIH, but is a component of 'other assets'.

**Energy Supplement**

A tax-exempt, indexed payment paid to pensioners, other income support recipients, families receiving Family Tax Benefit payments and Seniors Supplement recipients, provided they meet eligibility requirements.

**Commonwealth Rent Assistance (CRA)**

Commonwealth Rent Assistance (CRA) is a non-taxable income supplement paid through Centrelink to individuals and families who rent in the private rental market. It is only paid to recipients of another government benefit or pension, and paid in conjunction with that other benefit.

**Community health service benefits**

Includes social transfers in kind relating to community health services such as domiciliary nursing services, well

baby clinics, dental health services, health services provided to particular community groups, family planning services, alcohol and drug rehabilitation programs not involving admission, and other health services provided in a community setting. Also includes expenditure on patient transport. Community health service benefits are a component of health benefits.

### **Consumer Price Index (CPI)**

A general measure of price inflation for the household sector in Australia. Specifically, it provides a measure of changes, over time, in the cost of a constant basket of goods and services acquired by the capital city households in Australia.

### **Contents of dwelling**

This is a non-financial asset and comprises an estimated value of household contents. Examples include: clothing, jewellery, hobby collections, furniture, paintings and other works of art, soft furnishings and electrical appliances other than fixtures such as stoves and built-in items.

### **Cost of child care**

The cost, gross of Child Care Benefit and the Child Care Rebate, to parents for a child to attend care. In most cases, where the Child Care Benefit was paid directly to the child care service provider, the cost of care was directly collected in the survey. In a small number of cases, where the Child Care Benefit was not paid directly to the provider, the Child Care Benefit was estimated.

### **Couple**

See One family households.

### **Couple family with dependent children**

See One family households.

### **Couple, one family household**

A one family household consisting of:

- one couple only
- one couple, with their dependent and/or non-dependent children only
- one couple, with or without children, plus other relatives
- one couple, with or without children and other relatives, plus unrelated individuals.

### **Credit card debt**

The amount owing on the respondent's latest credit card account statement (including any government, interest of financial institution charges). Includes amounts owing on specialised retail shopping cards as well as general credit cards such as Visa, Mastercard and store credit cards but excludes Visa and Mastercard debit only cards.

### **Current financial year income**

Income earned in the period 1 July 2015 to 30 June 2016.

### **Debenture**

A formal acknowledgement of indebtedness by a company. Interest is paid by the company at specific intervals. A loan or deposit can be called a debenture if it is secured over company assets. Unlike shareholders, debenture holders have a creditor relationship with the company. Instead of dividends, debenture holders receive interest on their debentures which is accounted for by the company as an expense.

### **Deciles**

Groupings that result from ranking all households or persons in the population in ascending order according to some characteristic such as their household income and then dividing the population into 10 equal groups, with each group comprising 10% of the estimated population.

### **Dependent children**

All persons aged under 15 years; and persons aged 15–24 years who are full-time students, have a parent in the household and do not have a partner or child of their own in the household.

### **Disability and carer payment**

Households that receive income from Carer allowance, Carer payment, Disability Pension Department of Veterans' Affairs (DVA) or Disability Support Pension.

### **Disability support pension**

Includes the Disability Support Pension, as well as additional cash allowances such as rent assistance. Disability support pension is a component of social assistance benefits in cash.



**Disposable income**

Gross income less income tax, the Medicare levy and the Medicare levy surcharge i.e. remaining income after taxes are deducted, which is available to support consumption and/or saving. Income tax, Medicare levy and the Medicare levy surcharge are imputed based on each person's income and other characteristics as reported in the survey. Disposable income is sometimes referred to as net income.

**Dividends**

Dividends may be the main source of income for people who run their own incorporated business. They can be:

- 'franked' which are shares of company profit paid or credited by an Australian resident public company from profits on which Australian company tax has been paid, or
- 'unfranked' which are those shares of company profit paid by an Australian resident company from profits on which Australian company tax has not been paid.

**Dwelling**

Defined as a suite of rooms contained within a building which are self-contained and intended for long-term residential use. To be self-contained the suite of rooms must possess cooking and bathing facilities as building fixtures. Examples of types of dwelling include: separate house; semi-detached, row or terrace house or townhouse; flat, unit, or apartment; and other dwelling, including caravan, cabin, houseboat, and house or flat attached to a shop.

**Dwelling structure**

The dwelling structure type is determined by the structure of the building that contains the dwelling. Households belong to one of four dwelling categories:

- separate house
- semi-detached, row or terrace house or townhouse
- flat, unit, or apartment and
- other dwelling, including caravan or cabin in a caravan park, houseboat in a marina, caravan not in a caravan park, houseboat not in a marina and house or flat attached to a shop.

**Earners**

Persons (excluding dependent children) who receive income from wages or salaries, who are engaged in their own business or partnership, or are silent partners in a business or partnership.

**Education benefits**

Social transfers in kind relating to the provision of school, tertiary and other education.

**Electricity concessions**

Includes social transfers in kind relating to electricity concessions and rebates.

**Employed**

Persons aged 15 years and over who, during the week before the interview:

- worked one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (includes employees, employers and own account workers)
- worked one hour or more, without pay, in a family business or on a family farm
- had a job, business or farm but was not at work because of holidays, sickness or other reason.

**Employee**

An employed person who, for most of his/her working hours:

- works for a public or private employer and receives remuneration in wages or salary, or is paid a retainer fee by his/her employer and works on a commission basis, or works for an employer for tips, piece-rates or payment in kind
- operates their own incorporated enterprise with or without employees.

**Employee income**

An employee's total remuneration, whether monetary or in kind, received as a return to labour from an employer or from a person's own incorporated business. It comprises wages and salaries, bonuses, amounts salary sacrificed, non-cash benefits such as the use of motor vehicles and subsidised housing, and termination payments.

**Employer**

A person who operates his or her own unincorporated business or engages independently in a profession or trade, and hires one or more employees.

### **Equity in the dwelling**

A household's equity in the dwelling is the difference between the value of the dwelling and the total amount outstanding on mortgages taken out on the dwelling for any purpose, or unsecured loans taken out for housing purposes.

### **Equivalisation**

Can be applied to disposable household income and net worth to create equivalised disposable household income and equivalised household net worth. Adjustments are made using an equivalence scale. Equivalence measures are used in some analyses to enable comparison of the relative economic wellbeing of households of different size and composition. For a lone person household, the equivalised value is equal to the original value, or equal to zero if the original value was negative. For a household comprising more than one person, it is an indicator of the level that would be needed by a lone person household to enjoy the same level of economic wellbeing as the household in question.

For more information on the process of equivalisation, see the User Guide (cat. no. 6503.0).

### **Equivalising factor**

A factor that can be used to adjust the actual incomes of households in a way that enables analysis of the relative wellbeing of households of different size and composition. The equivalising factor included on the file has been calculated using the 'modified OECD' equivalence scale. The factor is built up by allocating points to each person in a household. Taking the first adult in the household as having a weight of 1 point, each additional person who is 15 years or older is allocated 0.5 points, and each child under the age of 15 is allocated 0.3 points. The equivalence factor is the sum of the equivalence points allocated to the household members. Equivalised household income can be derived by dividing total household income by the equivalence factor.

Note that for large households, the equivalence factors included on the CURF file are based on the household size after it has been reduced to the maximum size allowable on each CURF.

### **Family**

Two or more people, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering, and who usually live in the same household. A separate family is formed for each married couple, or for each set of parent-child relationships where only one parent is present.

### **Family composition of household**

Classifies households into three broad groupings based on the number of families present (one family, multiple family and non-family). One family households are further disaggregated according to the type of family (such as couple family or one-parent family) and according to whether or not dependent children are present. Non-family households are disaggregated into lone person households and group households.

### **Family day care**

A type of formal child care provided by experienced caregivers in their own homes, available for a full day or part day. Schemes are administered and supported by central coordination units.

### **Family support payments**

Households that receive income from Baby Bonus, Newborn Supplement, Paid Parental Leave, Dad and Partner Pay, Family Tax Benefits, Parenting Payments or Schoolkids bonus.

### **Family Tax Benefit (FTB)**

Includes Family Tax Benefit (both Part A and Part B) payments received fortnightly, as well as additional cash allowances such as rent assistance. It also includes one-off payments to families.

### **Financial assets**

An asset whose value arises not from its physical existence (as would a building, piece of land, or capital equipment) but from a contractual relationship. Financial assets are mostly financial claims (with the exception of shares and value of own unincorporated business). Financial claims entitle the owner to receive a payment, or a series of payments, from an institutional unit to which the owner has provided funds. Examples include accounts held with financial institutions (including offset accounts), ownership of an incorporated business, shares, debentures and bonds, trusts, superannuation funds, and loans to other persons.

### **First home buyer**

A household which bought their dwelling in the three years prior to being interviewed, and neither the reference person nor their co-resident partner had owned or been purchasing a home previously.

### **First Home Owners Grant**

The First Home Owners Grant is a scheme established by the Australian Government to provide financial assistance to eligible first home buyers. Its value has varied over time as government policy has changed.

**Flat, unit or apartment**

Includes all self-contained dwellings in blocks of flats, units or apartments. These dwellings do not have their own private grounds and usually share a common entrance foyer or stairwell. This category includes houses converted into flats and flats attached to houses such as granny flats. A house with a granny flat attached is regarded as a separate house.

**Formal child care**

Regulated child care away from the child's home. The main types of formal care are before and/or after school care, long day care, family day care, occasional care and vacation care.

**Full-time employed**

Employed persons who usually work 35 hours or more a week (in all jobs).

**Full-time student**

A person 15 years or over who is classified as a full-time student by the institution they attend, or considers himself/herself to be a full-time student. Full-time study does not preclude employment.

**Gini coefficient**

A summary measure of inequality of income distribution. For more information see the 'Summary indicators of income distribution' section of this publication.

**Government pensions and allowances**

Income support payments from government to persons under social security and related government programs. Included are pensions and allowances received by aged, disabled, unemployed and sick persons, families and children, veterans or their survivors, and study allowances for students. All overseas pensions and benefits are included here, although some may not be paid by overseas governments.

**Gross imputed rent**

The estimated market rent that a dwelling would attract if it were to be commercially rented.

**Gross income**

Income from all sources, whether monetary or in kind, before income tax, the Medicare levy and the Medicare levy surcharge are deducted.

**Group household**

See Non-family household.

**Greater Capital City Statistical Area Structure**

Greater Capital City Statistical Areas (GCCSAs) represent the socio-economic extent of each of the eight state and territory capital cities. They include the people who regularly socialise, shop or work within the city, but live in the small towns and rural areas surrounding the city.

**Guaranteed pensions**

Comprise pensions which are guaranteed to provide a regular income stream for the life of the recipient or for the reversionary beneficiary's life on the death of the member. The most common are defined benefit pensions which are calculated based on a predetermined formula which varies in different funds. Common criteria used include: average salary before retirement, retirement age and years of employment.

**Health benefits**

Health benefits are social transfers in kind relating to acute care institutions, community health services, pharmaceuticals, Private Health Insurance Rebate and other health benefits.

**Household**

A person living alone or a group of related or unrelated people who usually live in the same private dwelling.

**Household questionnaire**

Used to collect information on household characteristics, housing costs and household assets and liabilities.

**Household reference person**

The reference person for each household is chosen by applying, to all household members aged 15 years and over, the selection criteria below, in the order listed, until a single appropriate reference person is identified:

- the person with the highest tenure when ranked as follows: owner without a mortgage, owner with a mortgage, renter, other tenure
- one of the partners in a registered or de facto marriage, with dependent children
- one of the partners in a registered or de facto marriage, without dependent children

- a lone parent with dependent children
- the person with the highest income
- the eldest person.

### **Housing benefits**

Social transfers in kind from the provision of government housing at subsidised rental rates.

### **Housing costs**

Housing costs for the purposes of the publication Housing Occupancy and Costs, Australia (cat. no. 4130.0), comprise the following costs for the three different tenure type categories:

- rent payments
- rates payments (general and water)
- mortgage or unsecured loan payments if the initial purpose was primarily to buy, build, add to, or alter the dwelling.

Some additional items relating to housing costs are available to enable alternative estimates of housing costs to be constructed. See the Survey of Income and Housing, User Guide, Australia, 2013–14 (cat. no. 6553.0) for alternative measures of housing costs included on the files.

### **Housing costs as a proportion of income**

The total weekly housing costs of a group (e.g. one parent households) are divided by the total weekly income of that group expressed as a percentage.

### **Housing utilisation**

Provides a measure of the bedroom requirements of a household according to household size and composition. See Canadian National Occupancy Standard for housing appropriateness.

### **Imputed rent**

See Net imputed rent and Gross imputed rent.

### **Income**

Income consists of all current receipts, whether monetary or in kind, that are received by the household or by individual members of the household, and which are available for, or intended to support, current consumption. Income includes receipts from:

- wages and salaries and other receipts from employment (whether from an employer or own incorporated enterprise), including income provided as part of salary sacrificed and/or salary package arrangements
- profit/loss from own unincorporated business (including partnerships)
- net investment income (interest, rent, dividends, royalties)
- government pensions and allowances (includes pensions and allowances from Commonwealth and State and Territory governments as well as pensions from overseas)
- private transfers (e.g. superannuation, workers' compensation, income from annuities, child support, and financial support received from family members not living in the same household).

Gross income is the sum of the income from all these sources before income tax, the Medicare levy and the Medicare levy surcharge are deducted. Other measures of income are Disposable income and Equivalised disposable household income.

Note that child support and other transfers from other households are not deducted from the incomes of the households making the transfers.

### **Income tax**

See Taxes on income.

### **Income unit**

One person or a group of related persons within a household, whose command over income is assumed to be shared. Income sharing is assumed to take place within married (registered or de facto) couples, and between parents and dependent children.

### **Income unit reference person**

The male partner in a couple income unit, the parent in a one parent income unit and the person in a one person income unit.

### **Incorporated business**

An incorporated business is a company that has a registered business name with the Australian Securities and Investments Commission (ASIC) and Australian Business Register (ABR), and a legal status which is separate to that of the individual owners of the business.

**Individual questionnaire**

Used to collect information from each person aged 15 years and over on individual details such as income, personal assets, education and labour force status.

**Industry**

Coded for all employed people aged 15 years and over, using the Australian and New Zealand Standard Industrial Classification (ANZSIC).

**Informal child care**

Non-regulated child care, arranged by a child's parent/guardian, either in the child's home or elsewhere. It comprises care by (step) brothers or sister, care by grandparents, care by other relatives (including a parent living elsewhere) and care by other (unrelated) people such as friends, neighbours, nannies or babysitters. It may be paid or unpaid.

**Investment income**

Income received as a result of ownership of assets. It comprises returns from financial assets (interest, dividends), and from non-financial assets (rent and royalties).

**Investment loan**

A loan taken out for the purpose of financing investment, excluding loans for business purposes and rental property.

**Labour force status**

Classifies all people aged 15 years and over according to whether they were employed, unemployed or not in the labour force.

**Landlord type**

For renters, the type of entity to whom rent is paid or with whom the tenure contract or arrangement is made. Renters are classified to one of the following categories:

- state/territory housing authority-where the household pays rent to a state or territory housing authority or trust
- private landlords-where the household pays rent to a real estate agent or to another person not in the same household
- person in the same household-where the unit pays rent to a person who resides in the same household
- other-where the household pays rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a community or church group, or any other body not included elsewhere.

**Liability**

A liability is an obligation which requires one unit (the debtor) to make a payment or a series of payments to the other unit (the creditor) in certain circumstances specified in a contract between them.

**Life tenure**

A lease arrangement in which the tenant has the right to occupy the dwelling for an indefinite or unspecified period.

**Loan**

A form of liability that is created when creditors lend funds directly to debtors. Examples include an overdraft from a bank, money lent by a building society with a mortgage over a property as collateral, and personal loans.

**Loans for owner occupied dwelling**

Principal outstanding on loans used to purchase, build, alter, or make additions to the selected dwelling. Includes money borrowed for a deposit on the selected dwelling, and bridging finance taken out until such time as a loan or mortgage is obtained or the dwelling is bought outright. Where only a proportion of a loan is used for the owner occupied dwelling, only that proportion of the principal outstanding is included.

**Lone person household**

See Non-family household.

**Long day care centre**

A type of formal child care that is centre-based and is available to children between birth and school age for the

full day or part day. Centres are usually open for most of the year.

### **Low Economic Resource Household**

People with low economic resources (i.e. low consumption possibilities) are those in households in the lowest two quintiles (i.e. 40%) of both equivalised disposable household income and equivalised household net worth.

### **Low income**

Low income households are defined as households in the lowest equivalised disposable household income quintile, excluding the 1<sup>st</sup> and 2<sup>nd</sup> percentiles (i.e. the 3<sup>rd</sup> to 20<sup>th</sup> percentiles inclusive). The 1<sup>st</sup> and 2<sup>nd</sup> percentiles are excluded due to the high wealth and expenditure characteristics those household exhibit, and the prevalence of income types other than employee income and government pensions and allowances.

### **Lower income**

Lower income households is a measure using in the publication Housing Occupancy and Costs, Australia (cat. no. 4130.0) that is defined as households in the lowest and second equivalised disposable household income quintiles, excluding the 1<sup>st</sup> and 2<sup>nd</sup> percentiles (i.e. the 3<sup>rd</sup> to 40<sup>th</sup> percentiles inclusive). The 1<sup>st</sup> and 2<sup>nd</sup> percentiles are excluded due to the high wealth and expenditure characteristics those household exhibit, and the prevalence of income types other than employee income and government pensions and allowances.

### **Main source of income**

The income source from which the most positive income is received. If total income is nil or negative the main source is undefined. As there are several possible sources, the main source may account for less than 50% of gross income.

### **Mean housing costs**

The total weekly housing costs paid by a group of households (e.g. couple only households) divided by the number of households in that group.

### **Mean income**

The total income received by a group of units divided by the number of units in the group. For more detail about household weighted and person weighted means, see the 'Summary indicators of income distribution' section of this publication for more information.

### **Mean net worth**

The total or aggregate net worth of a group of units, divided by the number of units in the group. In this publication, the most common unit is the household.

### **Median housing costs**

That level of weekly housing costs that divides a group of households into two equal parts, one half having housing costs above the median and the other half having housing costs below the median. Households with nil or negative total income are not included in this calculation.

### **Median income**

That level of income which divides the units in a group into two equal parts, one half having incomes above the median and the other half having incomes below the median. For more detail about household weighted and person weighted medians, see the 'Summary indicators of income distribution' section of this publication for more information.

### **Median net worth**

That level of net worth which divides the units in a group into two equal parts, one half having net worth above the median and the other half having net worth below the median.

### **Median ratio of housing costs to income**

The ratio of weekly housing costs to gross weekly income is calculated for each household. The median is the level of that ratio that divides a group of households into two equal parts, one half having the ratio above the median and the other half having the ratio below the median.

### **Medicare levy**

Medicare is Australia's universal health care system. The Medicare levy is a specific tax, based on individual income, intended to assist in the funding of this system.

### **Medicare levy surcharge**

The Medicare levy surcharge is a levy, or an additional tax, on Australian taxpayers who do not have an appropriate level of private hospital insurance and who are earning more than the specified income threshold.

### **Mortgage**

A mortgage is a loan taken out using the usual residence as security. An owner with a mortgage must still owe money from such a loan.

**Multiple family household**

A household containing two or more families. Unrelated individuals may also be present.

**Negative income**

Income may be negative when a loss accrues to a household as an owner or partner in unincorporated businesses, rental properties or other investment income. Losses occur when operating expenses and depreciation are greater than gross receipts.

**Negative net worth**

Net worth may be negative when household liabilities exceed household assets.

**Net imputed rent**

Gross imputed rent less housing costs. Net imputed rent is an estimate of the value of housing services that households receive from home ownership or by households paying subsidised rent or occupying their dwelling rent free. Housing costs for the purpose of calculating net imputed rent for owner-occupiers comprise:

- rates payments (general and water)
- body corporate fees
- the interest component of repayments of loans that were obtained for the purposes of purchasing or building
- rent payments
- house insurance costs
- repair and maintenance costs.

Net imputed rent from subsidised public rentals is included as a social transfer in kind for housing.

**Net worth**

Net worth is the value of a household's assets less the value of its liabilities. Net worth may be negative when household liabilities exceed household assets.

**New dwelling**

A dwelling is new if it was built under contract for the current owner, or was purchased from the builder/developer, and the current owners were the first household to live in the dwelling.

**Non-dependent children**

Persons aged 15 years and over who:

- do not have a spouse or offspring of their own in the household
- have a parent in the household
- are not full-time students aged 15–24 years.

**Non-family household**

A household that consists of unrelated persons only. Non-family households are classified to one of the following categories:

- Group household: a household consisting of two or more unrelated persons where all persons are aged 15 years and over. There are no reported couple relationships, parent-child relationships or other blood relationships in these households.
- Lone person household: a household consisting of a person living alone.

**Non-financial assets**

Non-financial assets are all assets other than financial assets. Examples include residential and non-residential property, household contents and vehicles.

**Not in the labour force**

Persons not in the categories employed or unemployed as defined.

**Occasional care**

A type of formal child care provided mainly for children who have not started school. These services cater mainly for the needs of families who require short term care for their children.

**Occupation**

Coded for all employed persons aged 15 years and over, using the Australian and New Zealand Standard Classification of Occupation (ANZSCO) (cat. no. 1220.0).

**Offset accounts**

An offset account is an account with a financial institution that is linked to a home loan. The balance in offset accounts reduces the interest charged on the loan.

**One family household**

A one family household is classified to one of the following categories:

- couple only - two persons in a registered or de facto marriage, who usually live in the same household
- couple family with dependent children - a household consisting of a couple with at least one dependent child. The household may also include non-dependent children, other relatives and unrelated individuals
- one parent family with dependent children - a household comprising a lone parent with at least one dependent child. The household may also include non-dependent children, other relatives and unrelated individuals
- other one family households: a household comprising:
  - one couple with their non-dependent children only
  - one couple, with or without non-dependent children, plus other relatives
  - one couple, with or without non-dependent children or other relatives, plus unrelated individuals
  - a lone parent with his/her non-dependent children, with or without other relatives and unrelated individuals
  - two or more related individuals where the relationship is not a couple relationship or a parent-child relationship (e.g. two brothers).

**One parent family with dependent children**

See One family household.

**One parent, one family household**

A one family household comprising a lone parent with at least one dependent or non-dependent child. The household may also include other relatives and unrelated individuals.

**Other dwelling**

Includes caravans, houseboats, or houses or flats attached to a shop or other commercial premise.

**Other education benefits**

Social transfers in kind relating to special education (e.g. education for children who have physical disabilities) and other education benefits which could not be assigned to school or tertiary education. Other education benefits is a component of education benefits.

**Other formal child care**

A type of formal child care other than before and/or after school care, long day care, family day care, occasional care and vacation care.

**Other health benefits**

Includes social transfers in kind relating to public health services such as health promotion campaigns, occupational health and safety programs, food standards regulation, immunisation programs, breast cancer screening and screening for childhood diseases, as well as expenditure on health research. Other health benefits is a component of health benefits.

**Other income**

Income other than wages and salaries, own unincorporated business income and government pensions and allowances. This includes income received as a result of ownership of financial assets (interest, dividends), and of non-financial assets (rent, royalties) and other current receipts from sources such as superannuation, child support, workers' compensation and scholarships. Income from rent is net of operating expenses and depreciation and may be negative when these are greater than gross receipts.

**Other source of deposit**

Other sources of deposit include state/territory government grants, contributions from employers, loans from informal sources that are not family or friends, other loans, sale of car or other assets, and inheritance.

**Other source of monetary assistance**

Other sources of monetary assistance include state/territory government grants, contributions from employers, sale of car or other assets, and inheritance.

**Other landlord type**



Where the household pays rent to the owner/manager of a caravan park, an employer (including a government authority), a housing cooperative, a community or church group, or any other body not included elsewhere.

### **Other one family households**

See One family households.

### **Other payments**

Households that receive income from other government pensions and allowances. These include overseas pensions and benefits, partner allowance, sickness allowance, special benefit, war widow pension (DVA), widow allowance, wife pensions, seniors supplement, and other government pensions and allowances.

### **Other private income**

Private income other than employee income, government pensions and allowance and income from own business. It includes superannuation, workers' compensation, child support and any other allowances regularly received as well as interest and property rent.

### **Other property loans**

Principal outstanding on loans used to purchase, build, alter, or make additions to property rented out, loans taken out by people in rental properties who are buying or building a home somewhere else, and loans taken out for alterations and additions to other property. Where only a proportion of a loan is used for the property, only that proportion of the principal outstanding is included.

### **Other tenure type**

A household which is not an owner (with or without a mortgage), or a renter. Includes rent free.

### **Own account worker**

A person who operates his or her own unincorporated business or engages independently in a profession or trade and hires no employees.

### **Own unincorporated business income**

The profit/loss that accrues to persons as owners of, or partners in, unincorporated businesses. Profit/loss consists of the value of gross output of the business after the deduction of operating expenses (including depreciation). Losses occur when operating expenses are greater than gross receipts and are treated as negative income.

### **Owner (of dwelling)**

A household in which at least one member owns the dwelling in which the household members usually reside. Owners are divided into two categories: owners without a mortgage and owners with a mortgage. If there is any outstanding mortgage or loan secured against the dwelling the household is an owner with a mortgage. If there is no mortgage or loan secured against the dwelling the household is an owner without a mortgage.

### **Part-time employed**

An employed person who usually works less than 35 hours per week.

### **Percentiles**

When all households or persons in the population are ranked from the lowest to the highest on the basis of some characteristic such as their household income, they can then be divided into equal sized groups. Division into 100 groups gives percentiles. The highest value of the characteristic in the tenth percentile is denoted P10. The median or the top of the 50th percentile is denoted P50. P20, P80 and P90 denote the highest values in the 20th, 80th and 90th percentiles. Ratios of values at the top of selected percentiles, such as P90/P10, are often called percentile ratios.

### **Percentile ratios**

Percentile ratios summarise the relative distance between two points in a distribution. To illustrate the full spread of the income distribution, the percentile ratio needs to refer to points near the extremes of the distribution, for example, the P90/P10 ratio. The P80/P20 ratio better illustrates the magnitude of the range within which the income or net worth of the majority of households falls. The P80/P50 and P50/P20 ratios focus on comparing the ends of the income distribution with the midpoint.

### **Perturbation**

Adjustment of estimates to disguise individual values without affecting the statistical validity of aggregate data.

### **Pharmaceutical benefits**

Includes social transfers in kind relating to pharmaceuticals provided outside of hospitals, aids and appliances used for health purposes and supplied in an ambulatory setting, glasses, hearing aids, wheel chairs, etc. Pharmaceutical benefits is a component of health benefits.

**Preschool**

Educational and developmental programs for children in the year (or in some jurisdictions, two years) before they begin full-time primary education.

**Previous financial year exclusion flag**

This item is available on the file to indicate records that could be regarded as out of scope when analysing previous year income data. For more information see the Survey of Income and Housing, User Guide, Australia, 2015–16 (cat. no. 6503.0).

**Previous financial year income**

Income earned in the period July 2012 to June 2013.

**Private dwelling**

Houses, flats, home units, caravans, garages, tents and other structures that are used as places of residence. These are distinct from special dwellings which include hotels, boarding houses and institutions.

**Private Health Insurance Rebate**

Includes social transfers in kind relating to a rebate on private health insurance costs for members of a registered health fund. Private Health Insurance Rebate is a component of health benefits.

**Private income**

Current receipts from private organisations and other households, including wages and salaries, income from own business, superannuation, workers' compensation, income from annuities, interest, dividends, royalties, income from rental properties, scholarships and child support.

**Private renter**

A household paying rent to a landlord who is a real estate agent, a parent or other relative not in the same unit or another person not in the same unit.

**Private trusts**

Trusts other than public unit trusts. These include private unit trusts, fixed unit trusts, family trusts, charitable trusts and testamentary trusts.

**Property**

All residential and non-residential properties owned by persons in the household, excluding properties owned by the respondent's business.

**Public renter**

A household paying rent to a state or territory housing authority/trust.

**Public unit trusts**

A trust which issues units to the general public within Australia for the purpose of investing the pooled monies. A public unit trust must have registered a prospectus with the Australian Securities and Investments Commission (ASIC) and be governed by a trust deed between its management company and a trustee company. The units may or may not be listed on the Australian Stock Exchange. Includes property trusts, equity trusts, mortgage trusts, cash management trusts and public trading trusts.

**Quintiles**

Groupings that result from ranking all households or people in the population in ascending order according to some characteristic such as their household income or net worth and then dividing the population into five equal groups, each comprising 20% of the estimated population.

**Ratio at top of selected percentiles**

See Percentiles.

**Recent home buyer**

A household which bought their dwelling in the three years prior to the survey.

**Recent mover**

A household in which the reference changed their residence in the five years prior to being interviewed.

**Reference person**

See Household reference person and Income unit reference person.

**Relative standard error (RSE)**

The standard error expressed as a percentage of the estimate for which it was calculated. It is a measure which is independent of both the size of the sample, and the unit of measurement and as a result, can be used to

compare the reliability of different estimates. The smaller an estimate's RSE, the more likely it is that the estimate is a good proxy for that which would have been obtained if the whole population had been surveyed. For more information see the Survey of Income and Housing, User Guide, Australia, 2015–16 (cat. no. 6503.0).

### **Repairs and maintenance**

Repairs and maintenance refers to any work undertaken with the purpose of either preventing deterioration or repairing some aspect of the dwelling back to its original condition.

### **Renter**

A household that pays rent to reside in the dwelling. See 'Landlord type' for further classification.

### **Rent free**

Rent free is a tenure arrangement where the unit (i.e. household, income unit or person) exchanges no money for lodging and is not an owner of the dwelling.

### **Rest of State**

Under the Australian Statistical Geography Standard (ASGS), Rest of State is any area not defined as being part of the Greater Capital City Statistical Areas (GCCSAs). In the case of Australian Capital Territory and Northern Territory however, there is no Rest of State balance.

### **Salary packaging**

An arrangement for the employer to remunerate the employee with a combination of cash wages and salaries and one or more non-cash benefits, to the value of the employee's total remuneration.

### **Salary sacrifice**

An arrangement under which an employee agrees contractually to forgo part of the remuneration, which the employee would otherwise receive as wages and salaries, in return for the employer or someone associated with the employer providing benefits of a similar value.

### **Schoolkids bonus**

A biannual payment, paid in January and July from January 2013 to the end of 2016, to eligible families, carers and students to assist with education related costs of primary and secondary school students. The Schoolkids Bonus replaced the Education Tax Refund.

### **School education benefits**

Social transfers in kind relating to administration, inspection, support and operation of educational programs for preschool, primary and secondary school students. Government expenditure on the administration, inspection, support and operation of transportation services to students were included. Government expenditure on school medical and dental programs (which are included in other health benefits) and monetary transfers to households were excluded. School education is a component of education benefits.

### **Selected dwelling**

The private dwelling selected in the sample for the survey.

### **Selected superannuation contributions for employees**

Selected superannuation contributions comprise:

- The compulsory employer contributions required under the Superannuation Guarantee. These values have been imputed as the minimum amount that employers must contribute to employees' superannuation accounts (9.25% in 2013-14). Where possible, employee income that is not covered by this legislation (such as overtime) has been excluded.
- Income salary sacrificed by employees into a superannuation account.
- Superannuation contributions from employers above the minimum compulsory payments.

After tax contributions by employees are not included.

### **Semi-detached, row or terrace house or townhouse**

A dwelling with its own private grounds and no dwelling above or below. A key feature of this dwelling is that it is either attached in some structural way to one or more dwellings or is separated from neighbouring dwellings (usually by less than one-half metre). Examples include semi-detached, row or terrace houses, townhouses or villa units. Multistorey townhouses or units are separately identified from those which are single storey.

### **Separate house**

A dwelling which is self-contained and separated from other houses (or other buildings or structures) by a space to allow access on all sides (usually at least one-half metre). This category also includes houses that have an attached flat (e.g. a granny flat). The attached flat will be included in the flat, unit or apartment category.

**Shared equity**

An arrangement in which the costs of purchasing, and the equity in a dwelling are shared between the primary owner and a partner, usually a financial institution or government backed provider. The primary owner only makes repayments on their share of the loan on the dwelling. At the time of sale, the equity partner will recoup their share of the equity as well as a proportion of any capital gain. In some cases, an opportunity will be provided for the primary owner to progressively purchase full ownership of the dwelling.

**Shares**

A share is a contract between the issuing company and the owner of the share which gives the latter an interest in the management of the corporation and the right to participate in profits. The "value of shares" excludes the value of shares held by individuals in their own incorporated business. Such shares are included in "value of own incorporated business".

**Significant person**

Significant persons are defined as follows:

- all members of lone person or couple only households
- all parents in a couple with children household or a single parent household
- the person aged 15 years or over in a group household where one person is aged 15 years or over and the other members of the household are less than 15 years old
- 50% of the persons aged 15 years and over in all other households.

**Silent partner**

Is a person who has some share or legal ownership in a business but who does not actively 'work' in that business.

**Social assistance benefits in cash**

Cash payments to persons from general government without any requirement to provide goods and services in return. Included are pensions and allowances received by aged, disabled, unemployed and sick persons, families and children, veterans or their survivors, and study allowances for students. Family Tax Benefit, Baby Bonus and Child Disability Assistance Payment paid to recipients of Carer Allowance are also included in social assistance benefits in cash. Household social assistance benefits in cash are the sum of all household members' cash payments. The only difference between 'government pensions and allowances' and 'social assistance benefits in cash' is that overseas pensions are included in government pensions and allowances and private income and excluded from social assistance benefits in cash.

**Social transfers in kind**

Non-cash benefits and services provided by the government to households for education, health, housing, social security and welfare, and electricity concessions and rebates. It includes reimbursements of approved expenditures such as the Medicare rebate, the Private Health Insurance Rebate, the Child Care Benefit and the Child Care Rebate. The cost of administering the provision of social assistance benefits in cash is included. For more information see the Survey of Income and Housing, User Guide, Australia, 2015–16 (cat. no. 6503.0).

**Standard error (SE)**

A measure of the likely difference between estimates obtained in a sample survey and estimates which would have been obtained if the whole population had been surveyed. The magnitude of the standard error associated with any survey is a function of sample design, sample size and population variability. For more information see the Survey of Income and Housing, User Guide, Australia, 2015–16 (cat. no. 6503.0).

**Statistical Area Level 1 (SA1)**

Statistical Areas Level 1 (SA1s) have been designed as the smallest unit for the release of Census data. SA1s generally have a population of 200 to 800 persons, and an average population of about 400 persons. They are built from whole Mesh Blocks and there are approximately 55,000 SA1s covering the whole of Australia.

**Statistical Area Level 4 (SA4)**

Statistical Areas Level 4 (SA4s) are part of the ASGS and are used for the output of a variety of regional data, including the 2011 Census Data. There are 106 SA4s covering the whole of Australia without gaps or overlaps. They are built up from SA1s. In regional areas, SA4s tend to have populations of between 100,000 to 300,000 people. In metropolitan areas, SA4s tend to have larger populations (300,000 – 500,000 people).

**State/territory government concessions and exemptions**

Any exemption or concession for first home buyers on stamp (transfer) duty and/or mortgage duty payable to a state or territory government. All jurisdictions offered exemptions and/or concessions on stamp duty and/or mortgage duty to first home buyers in the survey period, normally subject to property value and income thresholds.

**State/territory government grants**

Any monetary grant paid to eligible first home buyers that is in addition to the First Home Owner Grant and introduced by a state or territory government. Some jurisdictions offered grants to first home buyers in the survey period.

**Study loans**

Study loans are debts incurred under Higher Education Loans Program (HELP), the government education payment scheme, and other government higher education schemes. They also include loans incurred prior to 2005 under the Higher Education Contribution Scheme (HECS) and the Student Financial Supplement Scheme (SFSS). A feature of these loans is that the obligation to repay them only exists when the student's income exceeds a threshold. The debt is also extinguished upon death. The HELP scheme includes several education payment schemes, including HECS-HELP and FEE-HELP. Study loans also includes student loans from other countries.

**Superannuation**

A long-term savings arrangement which operates primarily to provide income for retirement.

**Superannuation/annuity income**

Income from superannuation, annuities and private pensions such as allocated pensions.

**Superannuation coverage**

Persons aged 15 years and over were considered to have superannuation coverage if they:

- had a superannuation balance above zero,
- were receiving regular income from superannuation, or
- had received a lump sum superannuation payment in the last two years.

**Taxes on income**

Taxes on income is the sum of personal income tax plus the Medicare levy and Medicare levy surcharge for all members of the household. Taxes on income were imputed according to the 2013–14 tax rules which were applied to the gross income of family members according to their characteristics as reported in the 2013–14 Survey of Income and Housing.

**Tenure type**

The nature of a household's legal right to occupy the dwelling in which the household members usually reside. Tenure is determined according to whether the household owns the dwelling outright, owns the dwelling but has a mortgage or loan secured against it, is paying rent to live in the dwelling, or has some other arrangement to occupy the dwelling.

**Term annuities**

Term annuities are a fixed-term product that gives people a guaranteed income for a specified term. This involves a series of payments purchased with a lump sum, usually from an insurance company.

**Tertiary education benefits**

Social transfers in kind relating to the administration, inspection, operation and support of education programs at higher education institutions and colleges of technical and further education. Tertiary education is a component of education benefits.

**Topcoding**

Reduction of all high values to a specified maximum value.

**Trusts**

Any type of managed fund which involves the pooling of investors' money in order for a trustee or professional manager to administer that fund. Examples include listed and unlisted public unit trusts, cash management trusts, property trusts and family trusts used only for investment purposes.

**Unemployed**

Persons aged 15 years and over who were not employed during the week before the interview and had actively looked for full-time or part-time work at any time in the four weeks before the interview and:

- were available for work in the week before the interview,
- were waiting to start a new job within four weeks from the interview and would have started in the week before the interview if the job had been available then.

**Unemployment and study payments**

Households that receive income from Austudy/ABSTUDY, Newstart allowance or Youth allowance.

**Unincorporated business**

A business in which the owner(s) and the business are the same legal entity, so that, for example, the owner(s) are personally liable for any business debts that are incurred. The business may be registered (in their own state) as a sole trader, partnership or firm; however they are not registered with the Australian Securities and Investments Commission and are not legally a company.

**Unsecured loan**

A loan not requiring any security or collateral.

**Vacation care**

A formal child care service provided to school children during the school holidays.

**Value of dwelling**

The estimated value of the dwelling and its land, as estimated and reported by the respondent. The data are only collected for owners.

**Vehicles**

Vehicles include registered and unregistered vehicles used for private purposes including cars, trucks, buses, motorcycles, caravans, aircraft, boats and bicycles.

**Vehicle loans**

Principal outstanding on loans used to purchase motor vehicles. Where only a proportion of a loan is used to purchase a vehicle, only that proportion of the principal outstanding is included.

**Wealth**

See Net worth.

**Worker's compensation payment**

Monies paid by insurance companies and sometimes by employers as compensation for loss of earnings while unable to attend work due to an illness or injury. It can also be paid as compensation for an injury itself that was caused by an accident or injury at work.

**Year of arrival in Australia**

The year a person (born outside Australia) first arrived in Australia from another country, with the intention of staying in Australia for one year or more.

## Data Cubes (I-Note) - Data Cubes

**30/10/2017** - This release includes replacement content:

- Replacement of number of persons in table 1.3 for 2015-16, number of persons in table 1.4 for 2015-16 and missing links to Summary and Explanatory Notes, in data cube Household Income and Income Distribution, Australia 2015-16.
- Footnote in table 2.4 in data cube Wealth Distribution, Australia, 2003-04 to 2015-16 corrected.
- Missing link to Summary and Explanatory Notes on contents page of data cube Household Economic Resources and Debt fixed.
- Missing footnote on tables 8.1, 8.2, 8.5 and 8.6 in Net Worth Quintiles data cube has been fixed.
- Fixing of formatting issue in Table 10.4 that had data in the incorrect line and zero values that should have been nya in table 10.5 of the Tenure and Landlord Type data cube have been fixed.
- Missing copyright link in table 12.4 and zero values that should have been nya in table 12.5 of the Age of Household Reference Person data cube have been fixed.
- Extra footnote in table 14.4 of the Child Care data cube has been removed.
- Missing links and footnotes added to Data Comparability Between SIH and Other ABS Sources data cube.

## Data Cubes (I-Note) - Data Cubes

Minor corrections to private income items which include imputed rent; inclusion of 2015-16 Selected Taxes on Production and Final Income items that are now available; and to correct some minor rounding errors (Table 1.5

only).

## **Data Cubes (I-Note) - Data Cubes**

**This document was added or updated on 08/12/2017.**

Inclusion of Persons in Low Economic Resource Households data (by Selected characteristics) Table 3.6 and Low Economic Resource Households data (by Household assets and liabilities) Table 3.7.

## **Data Cubes (I-Note) - Data Cubes**

Minor corrections to private income items which include imputed rent; and to correct some minor rounding errors (Tables 5.1 and 5.5 only).

## **Data Cubes (I-Note) - Data Cubes**

Minor corrections to private income items which include imputed rent (Table 6.5).

## **Data Cubes (I-Note) - Data Cubes**

Minor corrections to private income items which include imputed rent (Table 7.5).

## **Data Cubes (I-Note) - Data Cubes**

Inclusion of Income, Government Benefits and Taxes table 8.4, containing Social Transfers in Kind as well as income including Imputed Rent; minor corrections to private income items which include imputed rent (Table 8.7); and to correct some minor rounding errors throughout the data cube.

## **Data Cubes (I-Note) - Data Cubes**

Minor correction to private income items which include imputed rent (Table 9.5).

## **Data Cubes (I-Note) - Data Cubes**

Inclusion of imputed rent data which is now available (Tables 10.1 and 10.5); inclusion of Income, Government Benefits and Taxes containing Social Transfers in Kind as well as income including Imputed Rent (Table 10.5); minor correction to private income items which include imputed rent (Table 10.5); and to correct some minor rounding errors throughout the data cube.

## **Data Cubes (I-Note) - Data Cubes**

Inclusion of imputed rent data which is now available (Tables 11.1 and 11.5); inclusion of Income, Government Benefits and Taxes containing Social Transfers in Kind as well as income including Imputed Rent (Table 11.5); minor corrections to private income items which include imputed rent (Table 11.5); and to correct some minor

rounding errors throughout the data cube.

## **Data Cubes (I-Note) - Data Cubes**

Inclusion of imputed rent data which is now available (Tables 12.1 and 12.5); inclusion of Income, Government Benefits and Taxes containing Social Transfers in Kind as well as income including Imputed Rent (Table 12.5); minor correction to private income items which include imputed rent (Table 12.5); and to correct some minor rounding errors throughout the data cube.

## **Data Cubes (I-Note) - Data Cubes**

**This document was added or updated on 08/12/2017.**

Inclusion of Family Composition of Household employment data in Table 14.2 and full revision of data in Table 14.3 and 14.4.

## **Data Cubes (I-Note) - Data Cubes**

Minor correction to private income items which include imputed rent (Tables 16.5,16.10 and 16.16 ).

## **Quality Declaration**

### **QUALITY DECLARATION - SUMMARY**

#### **INSTITUTIONAL ENVIRONMENT**

For information on the institutional environment of the Australian Bureau of Statistics (ABS), including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment.

#### **RELEVANCE**

The Survey of Income and Housing (SIH) collects detailed information on income, wealth, housing, characteristics of individuals, income units and households from a sample of private dwellings throughout Australia.

The survey collects information by personal interview from usual residents of private dwellings in urban and rural areas of not Very Remote Australia, covering approximately 97% of the people living in private dwellings in Australia.

The survey facilitates the analysis and monitoring of the social and economic welfare of Australians in private dwellings. The main users are government and other social and economic analysts involved in the development, implementation and evaluation of social and economic policies.

Income and wealth data are used by economic and social analysts and policy makers to:

- understand the distribution of economic resources among private households in Australia;
- identify households most at risk of experiencing economic hardship; and
- understand the effects of taxation and welfare payments on people and families.

Housing data are used for:



- housing affordability studies;
- analysis of housing conditions and occupancy, including levels of home ownership and housing utilisation; and
- tracking changes in housing costs by tenure type over time.

## **TIMELINESS**

The SIH is conducted every two years. The 2015–16 SIH collected information over the period July 2015 to June 2016.

The first results from the 2015–16 survey were released on 13<sup>th</sup> September 2017, just over one year from the end of data collection. Subsequent outputs, including feature articles, other publications and Confidentialised Unit Record Files (CURF) will be released in late 2017.

## **ACCURACY**

### **Final sample**

In 2015–16, the SIH sample size was 17,768 households. The expansion of the sample (beginning in 2009–10 SIH) to include an extra 4,200 households located outside capital cities to better support COAG performance reporting was maintained. The SIH 2015–16 was run in conjunction with the Household Expenditure Survey (HES), including an additional pensioner sample, similar to the 2009-10 cycle.

Due to field performance not meeting design expectations, the sample in the first half of the financial year was smaller than expected. An additional sample was implemented in the second half of the 2015-16 financial year to bring the total sample in line with the design. Consequently, the survey sample is concentrated in the second half of the year. Weighting benchmarks for each quarter re-balance the sample.

See the User Guide and Explanatory Notes for more information about sampling and weighting.

To address partial non-response, data were imputed for missing fields. The final SIH sample includes 5,117 households (29% of households) and 8,079 person records (24% of persons aged 15 years or over) which had at least one imputed value. Imputation flags are provided at the module level in the CURF to allow users to identify and remove records with imputed data. Full record imputation is also used for households to impute data for some partially responding persons to minimise sample loss. Full record imputation is only undertaken for households where the main income earners in the household (e.g. both parents in a 'couple with children' household) have adequately completed the HES but others in the household (for example, children of those parents aged 15 years or over) have not. In 2015-16, 244 person level records were fully imputed, representing less than 1% of person records.

### **Reliability of the estimates**

Estimates produced from the SIH are subject to two types of error: non-sampling error; and sampling error.

#### *Non-sampling error*

Non-sampling error can occur in any collection, whether the estimates are derived from a sample or from a complete collection such as a census. Sources of non-sampling error include non-response, errors in reporting by respondents or recording of answers by interviewers and errors in coding and processing the data.

#### *Sampling error*

The estimates are based on a sample of possible observations and are subject to sampling variability. The estimates may therefore differ from the figures that would have been produced if information had been collected for all households. A measure of the sampling error for a given estimate is provided by the standard error, which may be expressed as a percentage of the estimate (relative standard error).

The sample was designed to facilitate analysis at the part of state level with a high level of accuracy for the indicators from the SIH, including: Equivalised Disposable Household Income; Net Worth; and housing indicators.

## **COHERENCE**

The SIH provides baseline income and wealth information which provides a comparison point for the Census, and other ABS and external surveys. Selected comparisons with other ABS sources are provided in Datacube 25 'Data comparability between SIH and other ABS sources' available from the 'Downloads' tab of this publication. A comparison between items collected in the SIH and the Australian System of National Accounts will be provided on the Downloads tab of the User Guide. There are some differences between the SIH and these other sources for various reasons, including scope, coverage, period and definitional differences (standardised where possible), non-response, and potential under- and over-estimates of some items in the SIH.

Each cycle of the SIH collects comparable information to allow for analysis of changes over time.

Various statistics can be utilised to make comparisons between 2015–16 SIH data and data from previous SIH cycles. These include the Gini coefficient (a summary measure of income and wealth distribution and inequality), proportions (e.g. proportional share of income and wealth), means and medians. Wherever comparisons of prior cycles are made in the data cubes, CPI adjusted data has been provided to allow for analysis of real change after inflation is taken into account.

The ABS seeks to maximise consistency and comparability over time by minimising changes to the survey. Sound survey practice, however, requires ongoing development and maintenance to maintain the integrity of the data and the efficiency of the collection. Current income and wealth standards are available on the ABS website and more information is available in the Explanatory Notes of this publication and the User Guide publication.

## **INTERPRETABILITY**

Detailed information on the terminology, classifications and other technical aspects associated with the SIH can be found in the Explanatory Notes and Glossary included with this publication. The User Guide (cat. no. 6503.0) will be released in October 2017.

## **ACCESSIBILITY**

Tabulated data and associated relative standard errors are freely available in Excel spreadsheets which can be accessed from the 'Downloads' tab.

A CURF product will be produced from the SIH, subject to the approval of the Australian Statistician. For further details, refer to the Microdata Entry Page on the ABS website. It is expected that the CURF products will be available in late 2017. A Survey TableBuilder product is also planned to be available in late 2017.

Customised data are also available on request. Note that detailed data can be subject to high relative standard errors which in some cases may result in data being regarded as unfit for release. A data item list is available from the 'Downloads' tab of the User Guide for 2015–16 (cat. no. 6503.0).

For further information about these or related statistics, contact the National Information and Referral Service on 1300 135 070, or email [client.services@abs.gov.au](mailto:client.services@abs.gov.au). The ABS Privacy Policy outlines how the ABS will handle any personal information that you provide to us.